LEARNING ORIENTATION, FIRM INNOVATION, SENIOR EXECUTIVE TEAM INTEGRATION AND COMPETITIVE ADVANTAGE OF INSURANCE COMPANIES IN KENYA

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A THESIS PRESENTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES UNIVERSITY OF NAIROBI

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DECLARATION

This thesis project is my original work and has not been submitted for presentation in any other university.

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The thesis project has been submitted with our approval as university supervisors

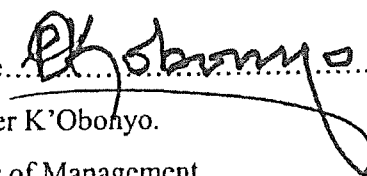Signature................................Date;7th December, 2023

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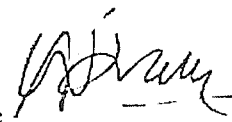Signature............................... Date: 7th December 2023

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DEDICATION

This thesis is dedicated to my dear wife Rosebellah Koskey for the unrelenting support and encouragements to keep going even when the going was getting tougher. You gave me the impetus to refocus. To my children Collins and Connie, for missing parental time. May this thesis inspire you to scale to greater academic heights. To my dad, for instilling in me in the sense of purpose in my academic pursuits. To my late mum, for inculcating in me the sense of discipline and the virtue of hard work.

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ABBREVIATIONS AND ACRONYMS

AKI: Association of Kenya Insurers

CBK: Central Bank of Kenya

CEO: Chief Executive Officer

CA: Competitive Advantage

DV: Dependent Variable

GDP: Gross Domestic Product

FI: Firm Innovation

IRA: Insurance Regulatory Authority

IV: Independent Variable

KBT: Knowledge Based Theory

LO: Learning Orientation

MeV: Mediating Variable

MV: Moderating Variable

SE: Senior Executives

SETI: Senior Executive Team Integration

SME: Small and Medium Enterprises

SPSS: Statistical Package for Social Sciences

ABSTRACT

This study aimed to advance knowledge and was based on the premise that learning orientation affected competitive advantage through the moderating effect of senior executive team integration and the mediating effect of firm innovation. The study was anchored on the dynamic capabilities' theory, knowledge-based theory and the upper echelons theory. The overall objective of the study was to examine the effect of senior executive team integration and firm innovation on the relationship between learning orientation and competitive advantage of insurance companies in Kenya. To achieve this, four specific objectives were developed and four (4) hypotheses formulated and tested. The study employed a positivism research philosophy and a descriptive cross-sectional survey design. The population of study comprised all the 56 insurance companies registered and licensed by Insurance Regulatory Authority. Primary data collected using a self-administered questionnaire, was cleaned and checked for completeness and coded before being analyzed. The data was tested for reliability, validity and sampling adequacy. Descriptive statistics, correlation analysis and regression analysis were used for further analysis. To determine correlation, Pearson's product–moment correlation coefficient was utilized. Regression analysis was carried out to understand the relationships among the variables. The findings established that learning orientation had a statistically significant effect on competitive advantage of insurance companies in Kenya. The study also revealed that firm innovation had a statistically significant positive mediating effect on the relationship between learning orientation and competitive advantage. However, the independent moderating effect of senior executive team integration on learning orientation and competitive advantage was not statistically significant. Overall, the joint effect of learning orientation, firm innovation and senior executive team integration on competitive advantage was found to be statistically significant. The study concludes that for insurance firms to gain competitive advantage, they need to pay attention to and implement the necessary drivers of competitive advantage which are learning and innovation supported by an integrated senior executive team. The study contributes to knowledge by providing empirical evidence that learning orientation significantly influence competitive advantage. Further, the study established that learning orientation influences competitive advantage directly and indirectly through innovation. The findings of the study contributed to key theoretical frameworks in strategic management. The findings of the study have implications on theory, policy and for management practice. Limitations of the study include the study variables being measured by the subjective perception of the respondents given that self-reported data tend to be more positive and may not always be completely true. Similar studies in future should consider using both questionnaire and interview methods. Further the study used single respondent reports to measure each of the theoretical constructs. An alternative approach would be to use multiple respondents in future studies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The emergence of globalization which has brought with it changes in customer requirements and accelerated technological advancements has rendered conventional strategies obsolete (Comez & Kitapci, 2016). As such, firms have to explore for and exploit new knowledge through a learning mechanism for use in innovatively designing new products that meet new markets and the emerging customer dynamics (Vij & Farooq 2015). Learning orientation involves the gathering, sharing, and application of knowledge by firms to carry out innovation with a view to exploring new ways of doing things (Lee & Trimi, 2016; Allameh & Khalilakbar, 2018). Learning orientation thus reinforces the learning norms in firms aimed at increasing firm capabilities to perform better and gain competitive advantage. Comez and Kitapci (2016) contend that a company's capacity to learn faster than its rivals is the foremost source of long-term competitive advantage.

Crossan and Apaydin (2010) observed that learning orientation provides a catalyst that enhances the capacity of the firm to innovate whilst recognizing that managing firms require collaborative interaction. Senior executives therefore whilst working as a team need to encourage and guide their workforce to discard the traditional ways of doing things and amplify their efforts in implementing innovation (Bagheri, 2017). Additionally, senior executives need not only collaborate among themselves but also need to rally organization members to embrace a culture of team orientation and innovation (Zehir & Basar 2016).

This study leveraged on three theories namely; dynamic capabilities theory, knowledge-based theory and upper echelons theory to better understand the relationship between the variables. Dynamic capabilities theory explains the performance of firms in uncertain environments and argues for firms to constantly re-configure and re-new their capabilities to achieve and sustain competitive advantage (Teece, 2018). Advocates of the knowledge-based theory argue that for firms to develop innovative problem-solving capabilities, they must upgrade their knowledge bases. Meantime, upper echelons theory advocates for organizational leaders to inspire and influence their teams to develop strong dynamic capabilities through learning and innovation to provide the firm with the agility essential for addressing deep uncertainty (Teece, 2016).

While recognizing that insurance companies in Kenya play a crucial role in the economy, their contribution of 2.27% (AKI, 2021) to the Gross Domestic Product against a global average of 7.2% is a concern (AKI, 2021). That notwithstanding, they operate in fast-paced competitive global environment characterized by digital transformation and increasing customer expectations (Comez & Kitapci, 2016). Gupta and Batra (2016) argued that for such firms to survive, they should through a learning mechanism, integrate knowledge acquired from the market for use in new processes, products, and systems. This is not a common feature among insurance firms in Kenya. In fact, innovation for majority of them is not a conscious, deliberate and ongoing activity but a response to competitor moves or sometimes to seize resultant opportunities (IRA, 2021). Therefore, it is expected that adopting a learning orientation and innovation enhances competitive advantage (CA) of insurance companies in Kenya.

1.1.1 Learning Orientation

Learning orientation has been described as the collection of organizational values that affect how much proactive learning takes place (Alerasoul *et.al*., 2022). It is a firm attribute that mirrors the significance that firms place on continuously interrogating the beliefs that define the firm's link with its environment (Martinette & Obenchain-Leeson, 2012). According to Yang *et.al*., (2022), learning is the mindset and propensity of a company to value learning and considering it as a priority. Amin (2015) defined it as firm beliefs that impact a firm's inclination to develop and apply knowledge. Nybakk (2012) describes it as an integrated process associated with new knowledge creation and sharing and affects a firm's capacity to challenge long-held beliefs and develop novel approaches and methodologies.

Strategy literature has highlighted learning orientation as the process that nurtures a company's capacities, promoting active learning, and creating new knowledge (Iyiola, Alzubi, & Dappa 2023). According to Stelmaszczyk, (2020), LO entails information gathering, distribution and shared interpretation that enhances both firm and personal effectiveness. It makes it easier for management to examine the efficacy of current practices and beliefs and contributes to the creation and assimilation of knowledge thus broadening the vision of organizational members (Ratnawati *et al.,* 2018). It reinforces organizational learning norms and motivates people to acquire new knowledge that enables them to create organizational capabilities for enhanced performance. A learning orientation is an indicator that a company is taking some action targeted at improving its learning capacity.

Pascalau and Urziceanu, (2022) consider learning orientation, as being critical for managers as a mechanism to update their knowledge base faster than their rivals, to respond to the dynamic business environment. Wang (2008) conceptualized learning orientation as the business values that affect how a firm approaches information acquisition. He stressed the necessity of defined procedures for enabling firm learning to result in the accomplishment of shared organizational objectives. Learning orientation can also enhance the company's knowledge base and allow it to apply its resources more effectively (Wahyono & Hutahayan, 2021). Additionally, a company with a LO would more often observe the behaviors of its rivals in the market in order to grasp and learn from their robustness and shortcomings (Calantone *et al*., 2002). Organizations that prioritize learning can increase their degree of strategic capacity (García- Morales et al., 2007), which enables them to develop enduring competitive advantages (Sinkula *et al*., 1997).

Senge (1990) views learning orientation as the ability of a firm to apply the five disciplines; personal mastery, building shared values, team learning, mental models and systems thinking. Senge (1990) concluded that executives who are dedicated to change have the commitment to learning. Martinette and Obenchain-Leeson (2012) contend that customer and competitor information that is efficiently disseminated to the top executives presents the best opportunity for effective utilization of the information. Baba (2015) provides insights that learning orientation enables firms to cultivate a new culture thus the ability to disrupt the status quo. Literature indicate that SMEs are adopting learning orientation practices to acquire information about their consumers and competition with intent to enhance their business performance (Hussain *et.al*. 2018).

Indeed, being learning-oriented enables companies to actively participate in intelligence generation, distribution, and market change management (Kalmuk & Acar, 2015). Literature indicate that the success of any business is significantly influenced by the individuals' attitudes and emphasis on learning. Learning orientation of a company is reflected by the indicators of open mindedness, shared vision and commitment to learning (Baker *et.al*., 2022). With these values, companies are better placed to appreciate and learn the long-held norms and beliefs and thus be able to create a sense of common purpose (Kalmuk & Acar, 2015).

This study focused on three dimensions of learning orientation; shared vision, commitment to learning and open-mindedness as advocated by Nybakk (2012). These indicators have also been used in studies by Mahmood & Hanafi (2013), Chenuos & Maru (2015) and Kiziloglu (2015). Commitment to learning refers to the extent to which a company considers learning as important to the firm. It influences whether a firm will promote a learning culture or not. It has been linked to long-term strategic orientation of firms. Open-mindedness emphsizes the deliberate assessment of the company's normal operations and the embrace of novel ideas (Xie *et.al*., 2021). It enables firms to critically evaluate their day to day operations and can challenge the worth of knowledge and have the guts to defy the conventions of creative learning (Yang *et.al*.,2022). Shared vision on the other hand entails values that firms place on learning across the organization (Martinez, Vega & Vega, 2016). It influences the direction and quality of learning.

1.1.2 Firm Innovation

Innovation is the action of making or modifying a product, an operational process or a management system that is new to a firm (Liao & Wu, 2010). It can be a continuous process of developing productive resources for use in producing current products with better attributes competitively (Şimşit, Vayvay & Ozturk, 2014) or the action of applying new information into products and processes (lori, Lawal & Simeon-Oke, 2017). Firm innovation therefore does not occur spontaneously, but requires a deliberate decision by senior executives to do things differently (Gebauer, Gustafsson, & Witell, 2011). It is generally believed that businesses that embrace innovation perform better in terms of product development, process improvement, flexibility, and responsiveness (Shaher, & Ali, 2020). The most important criterion for attaining competitive advantage in extremely volatile market conditions is the company's capacity for innovation.

Learning orientation enables companies to continuously innovate to react to the evolving market dynamics (Slater,Hult, & Olson, 2010) and it is integrated with all the organizational strategies, procedures, and structures that foster creativity (Gloet & Samson, 2016). According to the literature on innovation, firm innovation is the foremost important factor for business survival and success in highly complex business environments (Udriyah, Tham, & Azam, 2019). Firms are constantly under pressure from rivals and are compelled to consider new innovations for their survival and growth. Distanont and Khongmalai (2020) contend that firm innovation is a critical firm characteristic providing competitive advantages that results in increased firm performance.

This study contends that if firms have to attain and sustain competitive advantage, they have to be open and ready to adopt ideas that depart from the norm (Lee & Trimi, 2016). They have to create and combine various capabilities aimed at fostering an innovative culture (Nybakk, 2012). This includes creating structures that are flexible and responsive to customers' emerging needs with a view to leveraging opportunities better than competitors. Literature recognizes human resource practices among firms as one of the key factors influencing innovation (Crowley & Bourke, 2017) and has linked innovative firms with extraordinary performance through creativity (Kraus et al., 2012). Firms that embrace innovation respond better to the complex environment (Calantone et al., 2002)

Firm innovation mirrored on product, process and administrative innovation. Product innovation entails the designing of a new good or service or an enhancement of current goods or services (Simsit *et. al*., 2014). Leading companies have used product innovation to get ahead of their peers by designing new products and improving existing products to meet consumer needs and growing the reach of current products into new channels or markets, thereby redefining the competition (Wahyuni & Giantari 2019). Process innovation is the initiation of a new way of doing things that helps an organization remain competitive and meet customer demands (Liao & Wu, 2010). Administrative innovation on the other hand aims to improve a firm's capability by changing its structure, work processes and/or external relationship improvements (Martinez, Vega & Vega, 2016). It improves firm learning capability to adapt to the changing marketplace. Administrative innovation is always radical, risky, and transformative compared to product and process innovation.

1.1.3 Senior Executive Team Integration

Senior executive team integration is the level to which senior executives are engaged in reciprocal and collaborative interaction (Hambrick, 2007). It is a comprehensive senior executives' process model that emphasizes how cohesive and purposeful the SE team is (Hambrick, 1994). Literature indicates that senior executives that cooperate increase the capacity of the firm to utilize capabilities, which impacts firm outcomes (Medina, Ramachandran & Daspit 2019).

Hambrick (1994) argued that senior executives that are integrated as a team embrace the culture of sharing of resources, process improvement and collective efficacy (Srivastava, Bartol, & Locke, 2006). This is supported by empirical studies that indicate that SEs internal dynamics allow better processing of information hence allowing for better handling of inconsistencies and uncertainty (Zhang & Kwan (2019; Lubatkin *et al*., 2006). Such dynamics, model collaborative behaviors that enable SEs to commit to group objectives and avoid intra-team conflict (Hambrick, 1994).

SE team integration has three major dimensions: collaborative interaction, consultative decision making and information exchange (Simsek *et.al*., 2005). Collaborative interaction enhances the level of interpersonal trust, and makes collective actions of SEs more proactive and decisive thus improving the amount and value of information shared among themselves (Carmeli & Schaubroeck, 2006). And because an integrated SE team often engage one on one, the amount of information shared improves (Hambrick, 1994). Hambrick, (2007) contends that senior executives that consult when making decisions enhance their taking responsibility for the outcome of the decisions (Hambrick, 2007).

An integrated senior executive team can coordinate the team's social and work procedures (Lubatkin et al., 2006) in such a way that they are able to freely exchange information and receive prompt response on their actions (Xiaobao *et.al*., 2022). Further, they make decisions in a collaborative manner such that decisions are positively received, leading to greater commitment and implementation (Carmeli & Schaubroeck, 2006) and with team members being clear on what needs to be done (Carmeli, 2008). Such a team is more likely to encounter more favorable affection and feelings (Raes, Bruch, & De Jong, 2013), and are more likely to promote collaborative behavior between themselves (Carmeli, 2008).

1.1.4 Competitive Advantage

Competitive advantage is the position that a firm assumes relative to rivals and that which creates hurdles that make imitation difficult (Porter, 1985). According to Peteraf & Barney (2003), competitive advantage describes the relative performance of rivals in a particular product market or industry. Indeed, over the past several decades, different theoretical perspectives have emerged to explain the circumstances under which a firm can realize a strategic advantage over competitors. The perspectives include an emphasis on minimizing transaction costs (Williamson, 2010), achieving a superior competitive position (Porter, 1980; 1985), developing and/or acquiring superior strategic resources (Amit & Schoemaker, 1993; Barney, 1991; Peteraf, 1993; Wernerfelt, 1984), the ability to reconfigure resources into new strategically valuable combinations (Eisenhardt & Martin, 2000, Teece, Pisano, & Shuen, 1997), and the sharing and coordination of valuable knowledge (Grant, 1996).

According to Almarri and Gardiner (2014), a firm achieves and sustains competitiveness when it out-competes rivals in value creation. Firms therefore ought to foresee and anticipate future markets and customer requirements ahead of competitors and be able to build capacity to mark them out. While Chowdhury (2011) and Porter (1985) argued for sustainability of CA through differentiation, Ireland, Hoskisson and Hitt (2011) attributed it to resource attributes. Meanwhile, Porter and Kramer (2006) viewed sustainability as entailing the protection of resources to the foreseeable future. They emphasized the importance of collective learning of the firms' core competences to gain an edge by creating new advantages that will always place them ahead of rivals. Firms therefore need to innovatively develop distinctive and customized products in a cost-effective manner to make it difficult for rivals to copy (Nimsith, Rifas and Cader 2016). This will enable them to outperform their competitors.

This study placed emphasis on the key elements of competitive advantage namely; firm flexibility, market responsiveness and product differentiation. Flexibility is the firm's capacity to create firm-specific alternatives that can be used to create propositions that yield superior value to customers. Market responsiveness is the firm's capability to react swiftly to emerging market dynamics (Agha, Alrubaiee & Jamhour, 2012). Differentiation entails providing a product with unique qualities and distinct from what competitors can provide to the market.

1.1.5 Insurance Companies in Kenya

Insurance companies are regulated by the Insurance Act of the Kenyan laws under the supervision of the Insurance Regulatory Authority (IRA). The Authority's mandate involves the regulation, supervision and promotion of the development of the insurance industry, protection of consumers, institutional capacity improvement, and education (IRA, 2022). The umbrella body for insurance firms in Kenya is the Association of Kenya Insurers (AKI), whose main role being to provide consultancy and related services to the insurers. The insurance industry in Kenya is crucial to achieving the financial services goals outlined in the Vision 2030 because it is one of the sector's main pillars (IRA 2021).

There is unanimity in acceptance and recognition of the vital role played by the underwriters in shaping the economy of nations. The companies contribute to national development by offering a wider range of products and services, promoting entrepreneurship mindsets, stimulating investment, innovation, competitiveness, and providing social security together with the government to relieve pressure on public sector finances (IRA, 2022). Additionally, as major institutional investors, insurance companies pool resources and direct them toward investment possibilities, making it easier for businesses to receive financing that aids in the development of the country (IRA, 2022). Therefore, there is a need to increase the effectiveness and reach of insurance companies.

And while the potential of growth in the sector is enormous, numerous challenges among them; low awareness levels, limited adoption of innovation in product development, distribution and claims settlement and price undercutting abound (IRA, 2020). It is discernible that insurance firms in Kenya are viewed as having at times fallen short on openness, accessibility and personalized service, sometimes due to a lack of intimate awareness of the demands and priorities of their clients (AKI, 2021). This is partly because the insurance industry has lagged in adopting information technology and digital transformation. It has to move in tandem with the emerging trends in technology, demography and consumer needs which has continued to disrupt the industry with many people demanding digitized, customer friendly and cost-effective services (AKI, 2021). The insurance firms have to leverage on enterprise information technology to ease operations and serve customers more efficiently.

Insurance firms in Kenya draw parallels to the insurance firms in Nigeria where Appah & Banabo (2012) observed that majority of the Nigerian insurance firms were unable to run in tandem in identifying and satisfying the emerging customer needs. Tajeddini (2016) attributed this behavior to firms failing to adapt learning mechanisms that increase their proficiency in knowledge acquisition and utilization to meet the emerging market dynamics. Asikhia (2010) advocates for firms to embrace efficiency in service delivery with innovation playing a key role so as to ensure that they remain efficient, flexible and responsive to emerging trends. And given that most insurance firms in Kenya offer traditional products supported by legacy systems, adopting learning orientation and firm innovation will enhance their competitive advantage.

1.2 Research Problem

Explaining how firms in an industry can vary in their competitive positions and performance continue to generate debate among strategic management scholars (Vij & Farooq, 2015). And while the works of authors such as Porter (1995) suggest that competitive advantage can be attained either through embracing low cost, differentiation or focus strategies, others hold the view that tangible resources (Barney, 1991, Wernefelt, 1984) of a firm are the major sources of competitive advantage. This is however is gradually changing, as it is now widely acknowledged that a company's ability to achieve a competitive advantage is boosted by a strong learning orientation (Baker et.al., 2022; Martinette *et.al.*, 2014; Mahmood & Hanafi, 2013). However, the understanding of how and under what circumstances they occur is still lacking. Moreover, the theoretical approaches to studying competitive advantage have been wide and varied among them; Resource-based, Dynamic Capabilities, and Knowledge-based theories. Additionally, the best way to leverage LO to achieve competitive advantage remains inconclusive.

Some researchers however, contend that it is inherently challenging to directly link learning orientation and competitive advantage without considering other intermediary factors (Goh *et. al*., 2009), suggesting that other factors have an indirect effect on the relationship. Even though there are numerous intermediaries between learning orientation and competitive advantage, this research anticipated that firm innovation was likely to mediate the relationship. This intervention is supported by the dynamic capabilities and knowledge-based view which suggests that a company's competitive advantage originate from the unique company resources and competencies that are difficult to imitate.

Meanwhile, upper echelons theory popularized by Hambrick and Mason (1984) which postulates that company results are largely influenced by managerial backgrounds and characteristics (Xinming and Huan, 2021) informed the choice of SE team integration as the moderator in the learning orientation-competitive advantage relationship. This was on the premise that demographic characteristics alone cannot be relied on to predict the results of firms, and that senior executive team behavioral interactions are also important (Xiaobao, Rui, Jiewei, & Xiaofan, 2022).

Prior studies indicate that whereas LO is considered key for a firm's competitive advantage (Baker et.al., 2022; Martinette *et.al.*, 2014; Mahmood & Hanafi, 2013), empirical literature has largely focused on the influence of LO on organizational performance (Vij & Farooq, 2015; Tajeddini, 2016) with findings being somewhat mixed. For instance, while some studies directly linked learning orientation with firm performance (Tajeddini, 2016; Martinez, Vega & Vega, 2016; Vij & Farooq, 2015; Mahmood & Hanafi 2013), others established an indirect link (Eshlaghy & Maataofi, 2011; Nybakk, 2012), yet others have established no direct link (Long, 2013). This inconsistency needed to be addressed. Further, Kising'u, Namusinge and Mwirigi (2016) established a direct innovation-sustainable competitive advantage link and recommended a study be done linking learning to competitive advantage. This study addressed the gap. Scholars have identified innovation as a key driver of organizational success; yet there hasn't been enough empirical research done to determine how it affects competitive advantage (Lee & Trimi, 2016). This study addressed that gap.

Additionally, the link between LO and competitive advantage among the emerging economies and specifically within a service and regulated sector has remained unexplored, despite the fact that a substantial body of literature has been devoted to studying the learning orientation-company performance association. Most of the studies have been done within developed economies among them; Martinez, Vega and Vega (2016) in Mexico; Vij and Farooq (2015) in India; Mahmood and Hanafi (2013) in Malaysia, Martinette, *et al*. (2014) in the United States and Eshlaghy and Maatofi (2011) in Iran. The findings of these empirical research may not therefore be generalizable or applicable to insurance companies in the Kenyan setting due to the particular country and industry characteristics.

Empirical literature has established that findings of studies carried out in one context cannot be assumed to apply to others unless supported by research (Calantone *et. al*., 2002). Literature review further indicated that the bulk of research on learning orientation have been conducted among SMEs (Comez & Kitapci, 2016; Gomes & Wojahn, 2017; Vij & Farooq, 2015; Keskin, 2006), manufacturing firms (Nybakk, 2012; Gebauer, Gustafsson & Witell, 2011); technology firms (Calantone *et. al.,* 2002); wood industry (Nybakk, 2012) hence the motivation for a study to be conducted in a service and regulated sector. In fact, the insurance industry is very competitive, highly volatile and unpredictable, yet the industry has lagged in adopting information technology and digital transformation. It has to move in tandem with the emerging trends in technology, demography and consumer needs which has continued to disrupt the industry with many people demanding digitized, customer friendly and cost-effective services (AKI, 2021).

Literature indicates lack of convergence among researchers on the selection of research design, data collection methods and the operationalization of the study. Indeed, majority of the studies are cross sectional in nature and suffer the survivorship bias tag (Comez & Kitapci, 2016; Vij & Farooq, 2015; Mahmood & Hanafi, 2013). As such, some scholars, have cautioned against generalizing research findings given that the data used may have been context and time-specific (Chenuos & Maru, 2016). This study addressed that concern. Further, the correlation between LO and performance outcomes in prior studies may have been presumptive in view of both measures being intuitive in nature. This study addressed the common method biases through the inclusion of both positively and negatively phrased items for the same scale to prevent extreme responses and acquiescence.

From the foregoing, it is evident that prior studies on learning orientation and organizational performance are mixed as they demonstrated inconsistency and inconclusiveness. Additionally, literature has not given significant focus to considering learning orientation, firm innovation, SETI and competitive advantage together. And therefore, given the paucity of empirical studies on LO and competitive advantage in Kenya and in addressing the specific contradicting results identified, this research was required to fill the gaps identified by using an integrated approach that comprised the study variables; learning orientation, senior executive team integration, firm innovation and competitive advantage and answered the question: What is the effect of firm innovation and senior executive team integration on the relationship between learning orientation and competitive advantage of insurance companies in Kenya?

1.3 Research Objectives

The key focus of this research was to examine the effect of firm innovation and SE team integration on the linkage between learning orientation and competitive advantage. The specific objectives were to:

i. Establish the effect of learning orientation on competitive advantage of insurance companies in Kenya.

ii. Establish the effect of senior executive team integration on the relationship between learning orientation and competitive advantage of insurance companies in Kenya,

iii. Assess the effect of firm innovation on the relationship between learning orientation and competitive advantage of insurance companies in Kenya.

iv. Determine the joint influence of learning orientation, firm innovation and senior executive team integration on competitive advantage of insurance companies in Kenya

1.4 Value of the Study

The study has significantly contributed to theory by validating the underpinning theories in this study which include the dynamic capabilities, the knowledge based and the upper echelons theories. Further, the findings helped in generating more insights on causes of variation in firm competitive advantage along the conceptualized linkages. The study findings supported previous studies that established that LO positively influenced CA. The study also tested whether the research results showed consistency with prior related studies. The findings also helped to check how valid the measurement model was for learning orientation as used in previous studies as well as providing a strong grounding for further empirical investigations.

The study provided invaluable information for use in policy making within the financial sector as a whole. Senior executives within the financial sector finds the results useful as an input in developing their human resource, communication and marketing policies. Further, the findings are useful to industry regulators and members association especially in their efforts to promote growth in the field of knowledge creation and dissemination. They find the results invaluable especially when proposing to the government incentives that promote learning and innovation within the insurance sector.

Practitioners find value in the study by establishing factors that affect sustainable competitive advantage. The results provide managers with strategic insights into how to optimize emerging customer needs, product development and firm learning strategies. The study findings create a strong awareness among managers on the value of employees to business. It enables firms to develop and implement a systematic approach for generating and disseminating knowledge across the firm in an efficient and effective way.

1.5 Structure of the Thesis

There are six chapters in this thesis. A brief summary of the study's variables is included in Chapter one. It also discusses the study's context, which is Kenyan insurance firms. The research problem, research objectives, value of the study, and thesis structure are all highlighted in this chapter as well. A thorough analysis of theoretical, conceptual, and empirical literature is provided in Chapter two. The study's theoretical foundations are presented and discussed, along with its key constructs and the interactions between the variables.

The chapter concludes with an overview of the empirical research and knowledge gaps that lead to the development of the conceptual framework. Additionally, the conceptual model and research hypotheses that were developed from literature review are presented. Chapter three presents methodology which covers the research philosophy, the research design adopted, the population of study and the method and instrument used for data collecting. It also discusses how the study variables are operationalized and the validity and reliability of the research tool. Finally, methods for data analysis are covered.

The fourth chapter covers data analysis, hypothesis testing, multiple regression pretests, and result interpretation. The results of the research are presented at two levels. The first level focuses on the descriptive analysis of the data in terms of the respondents' and the firm's demographic attributes. The second stage of analysis entailed the testing of hypothesis along the hypothesized relationships of the research variables. The tests of hypotheses were guided by the objectives of the research and the test results interpreted.

Chapter five highlights and discusses the research findings in line with each research objective and comparing with empirical literature. Areas of convergence and divergence are highlighted and discussed. Chapter six presents the summary, conclusion and recommendations of the study. Further, the chapter gives the implications of the study with regard to policy, practice and theory, contributions to knowledge as well as the limitations of the study. Opportunities for future study in the subject of strategic management are also covered.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The fundamental aim of any research is adding to the pool of knowledge in a given subject area. This chapter captures the theoretical as well as the empirical assessment of literature around the researched variables. It explores the theoretical foundations of the study. Thereafter a literature review along the hypothesized relationships was undertaken. The contextual, conceptual and methodological gaps identified were discussed along the study variables. The identified gaps and how they were to be addressed are summarized and tabulated. A conceptual model was extracted demonstrating the relationship of variables.

2.2 Theoretical Foundation

The theoretical anchorage of the study includes; the dynamic capabilities theory (Teece, Pisano & Schuen 1997), knowledge-based theory (Grant, 1996) and the upper echelons theory (Hambrick & Mason 1984). The dynamic capabilities theory and the knowledge-based theory explained learning orientation, firm innovation and competitive advantage variables. Dynamic capabilities theory postulates that firm capabilities which are resident in both processes and management skills, enables firms to understand emerging customer needs and competitor moves hence calling for continuous innovation to create competitive advantage (Teece, 2014). Senior executive team integration is anchored on the upper echelons' theory. The study also addressed the joint effect of the variables advanced by the theories.

2.2.1 Dynamic Capabilities Theory

The Dynamic Capabilities Theory (DCT) which was advanced by Teece, Pisano and Shuen (1997) provided a valuable framework for interrogating the conceptualized relationships between learning orientation, firm innovation and competitive advantage. This study suggests that learning orientation is an intangible firm capability that creates firm innovation and ultimately boosts competitive advantage. The dynamic capabilities theory posits that firm's competitive advantage is the outcome of dynamic capabilities embedded in firm routines and rooted in the organization's paths, processes and market position (Teece et.al, 1997; Arndt and Pierce, 2017). It evolved as a response to and an extension of the resource-based view's (RBV) incapacity to understand how resources and capabilities are developed and redeveloped to deal with quickly changing environment (Galvin, Rice & Liao, 2014).

DC theory goes beyond the notion that a company's ability to maintain a competitive edge depends on its ability to obtain valuable, rare, inimitable, and non-substitutable (VRIN) resources (Bleady & Ali, 2018). The theory outlines path-dependent processes that enable businesses to develop, integrate, and reconfigure their portfolio of resources and skills in order to quickly adapt to changing circumstances. (Teece, Pisano & Shuen, 1997). This entails the firms reviewing their internal skills, processes, routines and internal structures, and disciplines and orchestrating intangible assets relevant to satisfying emerging customer needs, and which cannot be readily replicated by competitors (Bleady & Ali, 2018). Through learning, firms must renew their core capabilities to match the environmental changes.

Central to the dynamic capability theory is Wahyono and Hutahayan (2021), argument that learning orientation triggers innovation which positively impact business performance and firm competitiveness. Kapoor & Aggarwal (2020), opine that dynamic capabilities enable firms to develop proactive logic of the organizational behavior that leads to development of the special skills to renew the core capabilities that serve as a basis for competitive advantage in dynamic environments. Learning orientation enables companies to continuously innovate to react to the evolving market dynamics by integrating it with all the organizational strategies, processes, and structures that foster creativity (Gloet & Samson, 2016) and competitive advantage. Iyiola, Alzubi and Dappa (2023) cite the capacities of learning-oriented firms to obtain and disseminate information regarding customers, environmental changes, and competitor moves for use in innovatively developing new products, systems and processes.

Teece (2014) contend that learning-oriented firms use their dynamic capabilities to obtain market information on market needs and competitor moves for use in shaping competition and market place outcomes through the embrace of innovation and business transformation. An analogous point of view is offered by Bleady and Ali (2018), who contend that companies that exhibit prompt reactivity and quick, adaptable innovation in their systems, processes, and products while keeping up with environmental changes would succeed in the market. According to Schilke, (2014), organizations that obtain dynamic capabilities have been able to do so by embracing learning which enables them to act and react to the environment by re-configuring their resources constantly to achieve competitive advantage.

Building from the dynamic capabilities' framework, Bae & Choi, (2021) opine that in times of deep uncertainty, senior executives through a learning mechanism must prime their organizations for sensing, seizing, and transforming the firm's intangible and tangible assets with a view to developing the firms' capacity to be agile to assure competitiveness. This calls for firms to embrace a learning orientation and innovative cultures. To achieve this, they argue that management must have capability to effectively coordinate and redeploy internal and external competences by consistently integrating, reconfiguring, renewing and recreating their resource and capability capacities by embracing a learning orientation.

Drawing from the theoretical framework, Teece, Pisano and Schuen (1997), suggested three dynamic capabilities essential for achievement of competitive advantage as being; the capacity of employees to up their pace of learning (learning orientation), to create and integrate new strategic assets into organizational processes and the transfiguration of current assets (innovation). This compels firms to be committed to learning, to have a shared vision and be open-minded. Teece (2014) emphasized the need to build new thinking within firms and attributed sustainability of competitive advantage to the firms that respond to and are flexible to innovation. Qaiyum and Wang (2018) demonstrated that capabilities whether ordinary or dynamic in nature, are required in all contexts to develop and support competitive advantage. In a highly dynamic business environment therefore, a firm needs to have the capacity to mix, upgrade and redesign its internal competencies to stay ahead of its competitors (Li and Liu 2014).

However, the theory has been criticized for a number of reasons; including a lack of clarity regarding what its fundamental ideas are (Ambrosini & Bowman, 2009), being repetitive and lacking the ability to fully explain dynamic capabilities and how they work (Zollo & Winter, 2002). Further, the theory assumes that factor markets are imperfect and that firms cannot procure capabilities in the market. The theory further places major emphasis on how firms are structured internally and uses it to expound external market dynamics. Furthermore, the theory lays focus on firm survival instead of how firms should attain long term sustainable competitive advantage (Rumelt, 2011).

2.2.2 Knowledge-Based Theory

Knowledge-based theory (KBT) which was postulated by Grant, (1996) provided the grounding for interrogating the link between learning orientation, firm innovation and competitive advantage. The theory which is an offshoot of the resourced based view theory, premises knowledge as a strategic asset and conceptualizes the firm as an epicenter of knowledge integration (Grant, 1996). KBT associates superior knowledge base, resulting from organizational learning to the pursuit of innovation to achieve and sustain competitiveness (Cho & Lee, 2020). KBT argues that firms can create competitive advantage by upgrading their knowledge bases through learning for use in developing innovative problem-solving capabilities ((Martinez, Serna, & Guzman, 2018). The theory postulates that learning-oriented firms are often more innovative and thus likely to have competitive advantage over its competitors (Um, 2017). Therefore, businesses that can anticipate and adapt faster to changes in the market place have greater opportunities for growth and profitability than their slower competitors.

Alegre and Chiva (2013) asserted that it is not only the knowledge base that counts, but how it is created and applied through learning orientation that will enhance firm innovation and competitive advantage. Baker, Mukherjee and Perin (2022) contend a strong learning orientation enhances knowledge creation which boost's an organization's potential to gain competitive advantage. According to Kianto, Saenz & Aramburu (2017), it is crucial for organizations to investigate how knowledge is handled for innovation in commercial settings. Drawing from knowledge-based theory, Tidd and Bessant (2014) emphasizes the place of knowledge creation and its management in the innovation process, which is founded on the idea that innovation is impossible without knowledge. Building on knowledge-based theory (Grant, 1996), Tidd and Bessant (2014) advocates for firms to pay attention to the creation, capturing and using knowledge to foster innovation.

KBT advocates for the creation of heterogeneous knowledge configurations across the management structures of a firm in order to attain sustainable knowledge-based competitive advantage. Amin and Cohendet (2004) argued that heterogeneous knowledge bases and competencies within firms are critical in the creation and sustenance of competitive advantage and excellent organizational outcomes. It argues for firms to espouse knowledge creation strategies with the intent of promoting a long-term innovative culture that enables firms to build a strong performance base. KBT is premised on that learning orientation enables businesses firms to obtain and apply market knowledge form the market to create new products or alter current offerings and services that serve the emerging customer needs (Wahyono & Hutahayan (2021) so as to achieve superior organization performance and competitive advantage.

The theory though has had its fair share of criticism. It fails to recognize that an individual's learning systems are influenced by not only their nature of self but also the organizational context. It has also been questioned whether knowledge is really a firm's foremost dynamic capability without regard if the knowledge is really used or is just being retained within the individuals. Further, it is noted that in the rapidly changing environment, the firm's capacity to embrace and manage change could be more valuable to the organization than merely possessing knowledge (Nickerson & Zenger, 2004). KBT has failed to emphasize on how firms may create knowledge or skills efficiently but instead largely focused on the role of firms in facilitating efficient knowledge exchange.

2.2.3 Upper Echelons Theory

This theory which was advanced by Hambrick and Mason, (1984) laid the foundation for investigating the link between LO, SE team integration and CA. The theory presupposes that top management teams judge their circumstances through their own personalized lenses (Hambrick, 2007) and postulates that company results are largely influenced by managerial backgrounds and characteristics (Xinming and Huan, 2021). This implies that the collective skills attained through learning, experiences, biases, emotions and personalities of organizational leaders influence their behaviors and hence determine their strategic thinking and decision-making (Hambrick & Mason, 1984) and competitive advantage. Upper echelons research has established that demographic characteristics alone cannot be relied on to forecast company performance, and that senior executive team behavioral interactions are also important (Xiaobao, Rui, Jiewei, & Xiaofan, 2022).

This implies that unless senior executives successfully combine their existing expertise and abilities, it will be challenging to sense and seize new opportunities hence the need for them to engage in sharing information, resources, and decisions; which demonstrate the team's ability to integrate (Venugopal, Krishnan, Upadhyayula, & Kumar, 2020). A senior executive team that is integrated promotes a shared vision which in turn promotes a learning culture which aligns with Wood and Michalisin, (2010) observation that team integration among senior executives has promoted a culture of advice seeking.

The theory however has never been without criticism. Canella and Holcomb (2005) claimed that while the perceptual version of strategic choice is the hallmark of upper echelons theory, how individual perceptions interact to generate team-based judgments has not been theorized. Further how SEs demographics influence firm performance has been assumed and remains largely unexplored (Priem, Douglas & Gregory 1999). There is also the necessity to be wary of the traits of the chief executives within the senior executive teams since they possess the distribution of power within such a small team is differentially lopsided towards the leader (Priem *et.al*., 1999).

2.3 Empirical Studies and Knowledge Gaps

Empirical literature review examines past empirical studies for use in answering a specific research question. This section reviewed the information and theories that are currently known about the research variables and the background of the subject of study. This helped to appreciate the prior empirical studies and debates relevant to the topic or area of study. Conducting the empirical literature review helped to identify knowledge gaps, close the gaps and advance the subject of study.

2.3.1 Learning Orientation and Competitive Advantage

It is widely acknowledged that a company's potential to gain competitive advantage is boosted by having a strong learning orientation (Baker, Mukherjee & Perin, 2022). A study by Baker, Mukherjee and Perin, (2022) learning orientation had a positive significant on CA. It is notable that there is a paucity of studies linking learning orientation with competitive advantage given the revelation from a review of empirical literature that most of the research on learning orientation has largely focused on business performance (Martinez, Vega and Vega, 2016; Vij and Farooq, 2015; Martinette *et.al.*, 2014; Martinette & Obenchain-Leeson, (2012); Nybakk, 2012; Martinette & Obenchain-Leeson, (2010). These studies have established that learning orientation positively influence organizational outcomes.

Martinez, Vega and Vega (2016) in a study on a random sample of 350 manufacturing, commerce and service SMEs in Mexico established that learning orientation influenced business performance directly and indirectly through innovation. To assess the data, structural equation modeling was employed. A study by Vij and Farooq (2015) utilizing a purposive sample of 278 senior managers from manufacturing and service sector companies in the Indian state of Punjab, established that learning orientation had a significant positive impact on company outcomes. In the study, the hypotheses were tested using multi-group moderation and structural equation modelling. Martinette *et.al*, (2014) in a study on public accounting services firms with a sampling frame of 8,179 licensed certified accountants with a 3% response rate established that LO significantly influenced firm performance. The low rate of response makes generalization of findings challenging.

It was also noted that learning orientation had a strong impact direct impact on competitive advantage, however competitive advantage was found not to moderate the relationship between learning orientation and business performance. In the study, competitive advantage as a moderating variable was operationalized using the dimensions of market responsiveness, differentiation, and market sensing. Learning orientation was found to have no direct impact on financial performance by Nybakk (2012) in a study looking at the link between learning orientation, company innovativeness, and financial success in the context of the Norwegian wood industry. In the study, structural equation modeling was used to analyze data that was obtained from CEOs of the sampled enterprises, resulting in a 49% response rate. Wang (2008) in the study on 213 medium and large UK firms found that LO had no direct effect on business performance but mediated the mediated the link between entrepreneurial orientation and business performance. A study conducted by Iyiola, Alzubi, and Dappa (2023) with a sample of 421 managers of Turkish start-ups found a strong correlation between entrepreneurial performance and learning orientation.

Senge (1992) alludes to learning positively affecting firm performance especially where the firm engages strategically in the arena of learning. Tajeddini (2016) posits that the extent of learning orientation and innovation in public enterprises determines the speed of delivery of service, cost leadership and quality confidence. In the LO thus represents the values and norms exhibited in a firm's behaviors and processes. Mahmood and Hanafi (2013) in study on women-owned SMEs in Malaysia established that learning orientation influenced performance with full mediation of competitive advantage.

In a study of firms that are purely service-based, Martinette and Obenchain-Leeson (2012) found a statistically significant link between LO and competitive advantage. Unlike the study by Martinette *et.al*, (2014), Martinette and Obenchain-Leeson (2012) established that competitive advantage moderated the relationship between learning orientation and organizational performance as was the case with the study by Martinette & Obenchain-Leeson, (2010). Meanwhile other studies have focused on how learning orientation impacts innovativeness and innovation of firms with results indicating a positive relationship (Hsu et.al, 2017; Comez & Kitapci, 2016). Researchers have argued that learning organizations are associated with high performance reinforcing the value of LO. Keskin (2006) established that firms espousing a high degree of learning orientation have created clearly defined systems for knowledge sharing, steered by a common vision that exploits the passion of employees towards generating exceptional benefits for the customers.

Kising'u, Namusinge & Mwirigi (2016) studied the impact of innovation on sustainable CA of Kenyan universities. They recommended a study linking learning with competitive advantage be conducted in future. Therefore, from the empirical and theoretical review of literature, it is evident that whereas multiple studies have considered the link between LO and business performance with conflicting results, few studies have linked learning orientation with competitive advantage. This study aimed to address the inconsistencies and inconclusiveness of findings by proposing that companies that seek to build and maintain competitive advantage ought to embrace a culture of learning orientation.

2.3.2 Learning Orientation, Senior Executive Team Integration and Competitive Advantage

Studies on senior executive team integration have received limited attention from strategic management scholars (Afshar Jahanshahi, & Brem, 2017). Numerous studies have linked learning orientation with business performance (Iyiola, Alzubi, Dappa, 2023; Alerasoul *et.al*., 2022). Studies linking learning orientation with competitive advantage are scanty (Baker et.al., 2022) with no known empirical studies linking learning orientation, SE team integration and competitive advantage either pairwise or together. The variables have been studied in isolation. Resource bricolage significantly increases entrepreneurial orientation, according to a study by Xiaobao et al. (2022) based on a data set of 295 Chinese start-ups; however, SE team integration negatively moderates this association. Previous studies have confirmed that innovation capability mediates the relationship between resource integration and firm entrepreneurship (Ling, Zengrui & Beiquan, 2020).

Zhang and Kwan (2019) while utilizing a three-wave research methodology and a data set of 102 R&D teams from three IT organizations in China, found that team interdependence positively influences SE Team integration and that SE Team integration positively affects team performance. SETI is the process where senior executive members share information, resources, and decisions (Xiaobao *et.al*., 2022). Indeed, research has proven that aligned and integrated firms register better financial results than their rivals and that firm effectiveness that results from the alignment, creates competitive advantage (Hambrick, 2007). Daft (2011) advocated for the focus on both exploitation and exploration of resources to achieve competitive advantage

Comez and Kitapci (2016) in their study on SMEs in Turkey established that for a firm to offer products of quality to its customers, it is required of managers to be customer-focused whilst embracing team spirit. They further argued for managers to embrace the culture of continuous improvement and to make learning orientation the shared vision of the firm. Nybakk, (2012), opine that learning orientation enables firms to search for information for use in creating new services, products and processes. She argued that the organization must be able to process and efficiently apply the information faster than competition in creating new knowledge. This process requires senior executive leadership coordination and facilitation. Indeed, without an effective and integrated leadership, the firms' ability to develop and sustain competitive advantage becomes hugely constrained. Mogli, Abdullah and Muala (2012) linked learning with leadership by arguing that senior executives enable firms to build a culture that enhances continuous learning and innovation.

A study conducted by Halevi, Carmeli, and Brueller (2015) among 101 randomly selected small-sized strategic business units (SBUs) in Israel that had a defined product line and involving 245 senior executives and 883 employees found that senior executive team integration helped build ambidexterity, but that the influence of SE team integration on ambidexterity is stronger when the task environment is characterized by a high level of dynamism. In the study, SE team integration was conceptualized as the independent variable. Hambrick (1994) contended that behaviorally integrated senior executives are able to use knowledge to craft new initiatives and proficiencies on the firm's strategic alternatives since they display a range of processes that are mutually reinforcing and interacting.

A study by Yi, Ndofor, He and Wei (2017) based on a sample of 357 senior executives from 126 firms in China revealed that the link between TMT tenure separation and TMT performance is moderated by the level of senior executive team integration. Kumar, Jabarzadeh, Jeihouni, and Garza-Reyes (2020) while taking a quantitative and deductive approach, analyzed data gathered through survey questionnaire from 243 UK manufacturing firms using SEM. The results indicated that learning orientation influences operations strategy and supply chain integration, but does not have a direct impact on innovation performance. Using structural equation analyses on data gathered from 78 SMEs, Venugopal, Krishnan, Upadhyayula, and Kumar (2020) found that organizational ambidexterity fully mediates the link between SE team integration and firm performance and that SE team integration processes improve a firm's organizational ambidexterity.

An analysis of empirical literature revealed that prior research studies have focused on studying, learning orientation, SE team integration and competitive advantage separately. Therefore, the lack of crucial literature considering the effect of learning orientation and senior executive team integration on competitive advantage performance is surprising on account of the many citations of the importance of the concepts in the normal running of organizations in dynamic business environments; a situation that calls for deliberate training and development of leaders to provide them with the vital skills that enable them to cope (Bagheri, 2017). The narrow or indeterminate character of research findings in this field, therefore provided the motivation to explore further the essence of the link between LO and Competitive advantage with moderation of SE team integration.

2.3.3 Learning Orientation, Firm Innovation and Competitive Advantage

It has been argued by scholars and practitioners alike that LO is an antecedent to innovation and competitive advantage (Ganter & Hacker 2013). Empirical literature indicates a paucity of studies linking LO, FI and competitive advantage together. Most of the studies have linked learning orientation with innovation (Wahyono & Hutahayan, 2021; Kumar et.al., 2020; Shaher, & Ali, 2020; Serna, Vega, & Domenec, 2018) and innovation with competitive advantage (Distanont, & Khongmalai,2020; Udriyah, Tham, & Azam, 2019; Anning-Dorson, 2018; Kising'u, *et.al*., 2016).

Shaher, & Ali (2020) in a study on 221 Kuwait SMEs selected using stratified random sampling method established that LO played a partial mediation role in the entrepreneurial orientation-innovation performance relationship. Partial least square structural equation modeling (PLS-SEM) was used in the study to analyze data. To ensure sustained long-term growth and development, they counsel SMEs to improve their competitive capacities and competencies. This supports the claim made by Alegre and Chiva (2008) that learning increases a company's potential for innovation and that businesses can only innovate if they are able to make effective use of their resources, competences, and capabilities. (Calantone *et.al*., 2002). Gupta & Batra (2016) opine that organization learning enables businesses to be innovative and to improve their skills to meet customers' changing needs by launching new products and processes. Hsu, Cheng and Lin (2017) established that a solid positive association existed between LO and innovation.

Wahyuni and Giantari (2019) carried out a research on the impact of LO on innovation with data being collected from 70 managers of manufacturing SMEs in Bali Province. Using SEM with the PLS approach to analyze data, the findings show a significant and direct impact of LO on innovation. Additionally, the study discovered that by fostering the development of knowledge capabilities, learning orientation might enhance an organization's capacity for innovation. In a study on the influence of organizational commitment and learning orientation on innovation in 250 SMEs in the state of Aguascalientes, Serna, Vega, and Domenec (2018) found that learning orientation had a positive and significant impact on the innovation of small and medium-sized businesses.

The influence of innovation on competitive advantage in the frozen food industry was studied by Distanont and Khongmalai (2020) in the context of small and medium-sized companies (SMEs). An analysis and conclusion of the research findings using exploratory factor analysis, confirmatory factor analysis, and (SEM) showed that innovation enhanced competitive advantage in competition in dynamic business environments. Wahyono and Hutahayan (2021), in a study on SME textile industries in Indonesia found that LO positively impact company performance with the mediation of innovation. The study offers fresh perspectives on the critical role that knowledge competences play in the interaction between market orientation and learning orientation and how that interaction affects the innovation and financial success of manufacturing SMEs. Drucker (2002) contend that innovation is associated with the creation, acceptance and application of novel concepts, procedures and services.

Sawaean and Ali (2020) whilst using a survey questionnaire collected data from 384 of Kuwait's 500 SME owners and CEOs revealed that LO and entrepreneurial leadership significantly and favorably impacted business performance. They also established that innovation capacity significantly mediated the relationships. Drawing from knowledge-based theory, they argued that a firm's ability to innovate greatly affects its ability to compete. They concluded that learning orientation helps businesses to continually encourage learning and strive to produce new knowledge in order to build the capacities to support business competitiveness. The authors believe that a deeper understanding of the relationships among entrepreneurial leadership, learning orientation, and innovation capacity is necessary to investigate and assess the ways in which these factors impact company performance.

Kising'u, Namusonge and Mwirigi (2016), while employing stratified random sampling technique, identified 57 out of the 67 accredited universities and using purposive sampling, selected 285 academic leaders for the study, out of which 215 complete responses were received and analyzed. The findings revealed that organizational innovation significantly influenced competitive advantage of accredited universities in Kenya. Hsu, Cheng and Lin (2017) established that a solid positive association existed between learning orientation and innovation. Comez and Kitapci (2016) in their in their study of SMEs in Turkey, concluded that innovation increased company competitiveness According to Yang (2018), there exist various tactics and instruments that SMEs can utilize to improve their competitive advantage and performance while adapting to changes and threats. Bagheri (2017) argued that innovation in any organization can only be done in an environment where the top management nurture, finance, and embrace it.

Eshlaghy and Maatofi (2011) established that learning orientation significantly influenced firm innovation while Deniz and Neczan (2012) found that LO and innovation enhanced performance. It was established by Salim and Sulaiman (2011) that LO impacts the capacity of the firm to innovate and that innovation favorably impacts performance outcomes. Ma'atoofi and Tajeddini (2010) established that LO affected innovation with Chenous and Maru (2015) arguing that firms must challenge their routines and notions in order to support new ideas that increase innovativeness. In their study on the association between firm innovation and performance of tax administration in Iran, Yavarzadeh, Salamzade, and Dashtbozorg (2015) investigated the association between firm innovation and performance of tax administration in Iran established innovation positively and significantly impacted firm outcomes. Lilly and Juma (2014) in their study on commercial banks in Kenya reported a positive firm innovation-performance association.

While many studies demonstrate how learning orientation enhances business performance, other studies demonstrate learning orientation's indirect influence on business results. Further, Nybakk (2012) found no any direct effect of LO on organizational performance but demonstrated how the study context can directly influence the learning orientation-innovation link. Martinez, Vega and Vega (2016) established that firm innovation capacity improved performance. Lee & Trami (2016) emphasized on embracing innovation as a way of coping with environmental dynamism and turbulence. Therefore, given that research findings are beset with mixed results and ambiguity, this research explored the intervening effect of FI on the link between LO and CA and especially among insurance companies in Kenya.

2.3.4 Learning Orientation, Senior Executive Team Integration, Firm Innovation and Competitive Advantage

Learning orientation, innovation, senior executives' team integration and competitive advantage have been studied in isolation and pairwise with research findings being mixed and inconsistent. Further, competitive advantage is a construct whose measurement is still fragmented. For instance, while Ismail, Rose, Abdullah, and Uli (2010) measured it using cost-based advantage, product-based advantage, and service-based advantage; Mahmood and Hanafi (2013) operationalized it using differentiated products, market sensing, and market responsiveness. Other dimensions of CA include quality, price or cost, dependability of delivery, product innovation, and time to market (Wijetunge, 2016). These disparate competitive advantage metrics make knowledge accumulation more challenging.

Martinez, Vega and Vega (2016) studied SMEs in Mexico and found that learning orientation strongly influenced innovation and financial outcomes. They concluded that learning enabled firms to create new ideas that enable product, process and management systems changes in reaction to emerging customer expectations. Eshlaghy and Maatofi, (2011) noted that organizational learning and innovation enable firms to attain competitive advantages. They argued for firms to not only produce customer tailored products but to also offer them as and when and where the customers need them. Literature indicate that leaders who embrace team integration and practice entrepreneurialism can help staff members spot and seize possibilities, and are also more likely to encourage creative behavior in their workforce (Newman et al., 2018; Bagheri, 2017).

Extant literature indicates that learning orientation involves all members across the entire breadth of the organization generating and utilizing knowledge innovatively to create competitive advantage (Calantone *et al*., 2002; Vij & Farooq, 2015). Kiziloglu (2015) in the study on banks in Turkey found a strong link between learning and innovation in general. Vij and Farooq (2015) established that LO and size influenced firm performance. This however, can only be feasible in an environment where senior executives engage and rally employees to utilize existing resources and capabilities innovatively to create value (Schoemaker, Krupp & Howland, 2013). Further, the need to create collaborative relationships that promote a philosophy of consistent learning and innovation ought to be the norm (Moghli et.al. 2012). According to Bature, Sallehuddin and Hin (2018), learning orientation facilitates the acquisition and use of knowledge which is critical in supporting firm innovation. Wahyono and Hutahayan, (2021), posit that firms that embrace an innovative culture enables them present them with an opportunity to gain competitive advantages and superior performance.

Whereas empirical literature link learning orientation with the firm's capacity to innovate (Kiziloglu, 2015), other studies directly link learning orientation with performance (Tajeddini, 2016; Vij & Farooq, 2015). While others seem to suggest, that it is indeed organizational capabilities, developed through learning orientation, that amplify innovation capacity and that innovation is what influences firm performance (Gomes & Wojahn, 2017). It can logically be assumed therefore that innovation intervenes with moderation of SE team integration in the linkage between LO and business outcomes. This study had proposed that senior executive team integration and firm innovation influence the link between learning orientation and CA.

2.4 Summary of Knowledge Gaps

Literature review revealed mixed findings arising from varied research methodologies used, definitions and operationalization of study variables, the conceptualization of variables in previous studies and the contextual factors. All of the study variables' causal connections and their combined effect on competitive advantage has not been examined in prior research. The identified knowledge gaps were addressed by the study by exploring the impact of firm innovation and senior executives' team integration on the learning orientation-competitive advantage relationship. Following the literature review, an overview of previous research highlighting the conclusions and identified knowledge gaps with suggestions on how the gaps were to be filled by the current study is presented in Table 1.

Table 1: Summary of Knowledge Gaps

AUTHORS	STUDY FOCUS	METHODOLOGY	FINDINGS	KNOWLEDGE GAPS	HOW THE CURRENT STUDY ADDRESSED THE GAPS
Iyiola, Alzubi & Dappa (2023)	The effect of business model innovation and risk-taking propensity on the LO-entrepreneurial performance of start-ups in Turkey	Cross-sectional survey; SPSS macros PROCESS; Sampling	Learning orientation significantly impacted entrepreneurial performance. LO also positively affected business model innovation	The effect of LO on CA with moderation of SE team integration was not considered.	The current study examined the direct link between LO and CA with the intervening influence of firm innovation and the moderation of SE team integration.

AUTHORS	STUDY FOCUS	METHODOLOGY	FINDINGS	KNOWLEDGE GAPS	HOW THE CURRENT STUDY ADDRESSED THE GAPS
Kumar, *et.al*., (2020	LO-innovation performance link among UK manufacturing firms mediated by operations strategy and supply chain integration	Structural equation modeling; Sampling	learning orientation influences operations strategy and supply chain integration, but does not have a direct impact on innovation performance	Innovation performance is conceptualized as a dependent variable. Study conducted in a developed economy	Investigated the direct link between LO and CA with the mediation of firm innovation and the moderating effect of SE team integration. Conducted a census study
Shaher & Ali (2020).	How LO affects the entrepreneurial orientation-innovation performance link of Kuwait SMEs	Partial least square structural equation modelling & stratified sampling	LO partially intervened the entrepreneurial orientation-innovation performance	Learning orientation was conceptualized as a mediator. PLS-SEM was utilized for data analysis. Stratified sampling used	Investigated the direct link between LO and CA with the mediation of firm innovation and the moderating effect of SE team integration. Conducted a census study
Distanont, & Khongmalai (2020)	Explored the innovation- CA link in SMEs	Cross-sectional survey; SEM	Established that innovation enhanced competitive	The effect of LO on CA with moderation of SE team integration was	The current study examined the direct link between LO

AUTHORS	STUDY FOCUS	METHODOLOGY	FINDINGS	KNOWLEDGE GAPS	HOW THE CURRENT STUDY ADDRESSED THE GAPS
			advantage	not considered. SEM was utilized for data analysis	and CA with the intervening influence of firm innovation and the moderation of SE team integration
Wahyuni & Giantari (2019)	Explored the mediation effect of knowledge competence on LO-innovation among SMEs in Indonesia	Cross-sectional survey; Sampling; PLS-SEM utilized for data analysis.	Learning orientation directly impact innovation; It was also found that knowledge competences mediated the LO-innovation link	The effect of LO on CA with moderation of SE team integration was not considered. SEM was utilized for data analysis	The current study examined the direct link between LO and CA with the intervening influence of firm innovation and the moderation of SE team integration
Hsu et.al. (2017)	How LO and human resources practices influence firm innovativeness and innovation of firms in Taiwan	Cross-sectional survey. Structural equation modeling. A census was conducted	The study found a strong correlation between LO and human resource practices and a firm's innovativeness and capacity for innovation.	The effect of LO on CA with moderation of SE team integration was not considered. SEM was utilized for data analysis	The current study examined the direct link between LO and CA with the intervening influence of FI and the moderation of SE team integration

Table 1 Cont'd…

AUTHORS	STUDY FOCUS	METHODOLOGY	FINDINGS	KNOWLEDGE GAPS	HOW THE CURRENT STUDY ADDRESSED THE GAPS
Martinez, Vega & Vega, (2016)	The impact of LO on innovation and Performance of SMEs in México	Cross-sectional survey	That LO impacted innovation and performance	The study lacks a framework linking LO and CA. The moderation effect of SE team integration was not tested.	Investigated the direct link between learning orientation and CA with the mediating influence of firm innovation and the moderating effect of SE team integration.
Comez & Kitapci (2016)	How quality and market orientation and LO influence firm innovativeness of SMEs in Turkey	Cross-sectional survey	The study established that learning orientation influenced firm innovativeness.	The direct link between LO and CA with moderation of SE team integration was not investigated.	Interrogated the intervening effect of firm innovation with the moderation of SE team integration on the learning orientation LO-CA relationship.

Table 1 Cont'd…

AUTHORS	STUDY FOCUS	METHODOLOGY	FINDINGS	KNOWLEDGE GAPS	HOW THE CURRENT STUDY ADDRESSED THE GAPS
Kising'u, Namusinge & Mwirigi (2016)	The influence of innovation on SCA in Kenyan universities	Cross-sectional survey design. Stratified sampling	Established that FI informed the creation of sustainable competitive advantage among Kenyan universities.	The study recommended future studies be conducted linking learning to competitive advantage. How innovation can mediate the relationship was not tested.	This study expanded the scope to include learning orientation and the moderating effect of SE team integration on CA. A census survey was conducted.
Vij & Farooq (2015)	How learning orientation influenced the performance of small firms in India	Cross sectional survey; structural equation modeling	The study established that LO and firm size influences performance.	The mediating effect of innovation and the moderation of SE team integration (SETI) on a learning orientation LO-CA not investigated.	Investigated the intervening effect of firm innovation with the moderation of SE team integration on LO-CA relationship of insurance firms in Kenya
Kiziloglu (2015)	How organizational learning affect firm innovation capability among Banks in Turkey	Cross sectional Survey	That organizational learning positively impacts firm innovation in general.	The direct LO-CA relationship with moderation of SETI was not investigated. Need to give it contextual relevance.	Investigated the effect of firm innovation, SETI on the LO-CA linkage among insurance firms in Kenya.

Table 1 Cont'd…

AUTHORS	STUDY FOCUS	METHODOLOGY	FINDINGS	KNOWLEDGE GAPS	HOW THE CURRENT STUDY ADDRESSED THE GAPS
Ombaka (2014)	How resources, the external environment and innovation influence performance	Descriptive Cross-sectional survey	That innovation intervenes the organizational resources-firm performance relationship.	The effect of LO and the moderation effect of SE team integration on CA was not considered.	Determined the influence of LO, firm innovation and SE team integration on CA.
Martinette et. al. (2014)	Explored the moderation effect of CA on the LO-business performance link	Cross-sectional survey	The study established that LO influenced business performance and that CA did not moderate the relationship.	The study did not consider competitive advantage as a dependent variable	investigated the influence of learning orientation, firm innovation and SE team integration on competitive advantage.
Mahmood & Hanafi (2013)	How LO influenced the performance of women-owned SMEs in Malaysia with mediation of competitive advantage.	Cross-sectional survey	Established that LO significantly influenced performance with full mediation of competitive advantage.	The necessity to interrogate the intervening effect of FI with the moderation of SE team integration on a LO-CA relationship.	The intervening effect of firm innovation with the moderation of SETI in the relationship between LO and CA was investigated.

Table 1 Cont'd…

AUTHORS	STUDY FOCUS	METHODOLOGY	FINDINGS	KNOWLEDGE GAPS	HOW THE CURRENT STUDY ADDRESSED THE GAPS
Eshlaghy & Maatofi (2011).	Investigated how LO and FI affect the performance of small-sized businesses in Iran	Cross-sectional survey	The study established that LO significantly influence FI as would innovation on performance. A strong direct link between LO and performance was established.	The direct link between LO and CA was not tested. The study considered other dimensions of innovation	The study investigated a direct LO-CA relationship. The moderating effect of SE team integration was also considered. Firm innovation was operationalized as a multi-dimensional construct.

Source: Empirical Literature Review, 2022

It is notable from the literature review that the variables which were the subject of the research had been studied in isolation. Further, most of the studies had focused on firm performance as an outcome variable. This reality was taken into consideration in the current study, and hence the reason for investigating the combined effect of firm innovation and SEs team integration on the linkage between learning orientation and competitive advantage.

2.5 Conceptual Framework

The empirical literature review identified knowledge gaps and hence the need to develop a conceptual framework to address them (Parnell, 2013). The study conceptualized a link between LO, firm innovation, SEs team integration and CA. In the conceptual model illustrated in Figure 1, learning orientation, SE's team integration and firm innovation are modelled as independent, moderating and mediating variables respectively. CA is conceptualized as the dependent variable.

H_1

Firm Innovation
- Product innovation
- Administrative innovation
- Process Innovation

H_3

Mediating Variable

Learning Orientation
- Open-mindedness
- Commitment to Learning
- shared vision

H_4

Moderating

Variable

Competitive Advantage
- Market responsiveness
- Firm flexibility
- Differentiated products

Independent Variable

Senior Executives' Team Integration
- Collaborative interaction
- Information exchange
- Consultative decision making

Dependent Variable

H_2

Figure 1: Conceptual Model

Source: Researcher, 2021

In the model, the first perspective assumed that LO predicts competitive advantage. Learning orientation was tested using the dimensions of open-mindedness, commitment to learning and shared vision as used by Nybakk (2012). In the second perspective, firm innovation was conceptualized in the model as an intervening variable through which LO indirectly influences CA. It was measured using product, process and administrative innovation as used by Hsu, et.al. (2017). Mediation was tested by following the regression procedure advanced by Baron and Kenny (1986). SE team integration was a moderating variable and was presumed to impact the path and efficacy of the learning orientation- competitive advantage relationship.

Senior executive team integration was measured using consultative decision making, collaborative interaction and information exchange as used by Lubatkin *et.al*, (2006). CA was the dependent variable and was operationalized using the indicators of market responsiveness and firm flexibility (Agha, Alrubaiee & Jamhour, 2012), differentiated products (Porter, 1985). The general proposition in the model therefore was that firm innovation and SE team integration influenced the learning orientation-competitive advantage relationship. The hypotheses tested were formulated from the conceptual model as per the research objectives.

2.6 Conceptual Hypotheses

Arising from the conceptual model presented in Figure 2.1 and the research objectives, the following hypotheses were developed and tested:

H_{01}: Learning orientation has no significant effect on competitive advantage of insurance companies in Kenya.

H_{02}: Senior executive team integration has no significant moderating effect on the relationship between learning orientation and competitive advantage of insurance companies in Kenya.

H_{03}: Firm innovation has no significant mediating effect on the relationship between learning orientation and competitive advantage of insurance companies in Kenya.

H_{04}: Learning orientation, senior executive team integration and firm innovation have no significant joint effect on competitive advantage of insurance companies in Kenya.

The study's literature review was covered in this chapter. This covered the theories that anchored the study variables and pairwise empirical literature of the variables of study. From the empirical literature review, a summary of identified knowledge gaps is presented and a conceptual model developed. Finally, four (4) conceptual hypotheses formulated for testing are presented.

In the next chapter, the research methodology adopted for the study is presented. This covers the research philosophy and design, the population of study, data collection and analysis models, operationalization of the study variables. Additionally, the hypotheses testing statistical model is presented.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

The central theme in any research is finding solutions to research problems and the path to finding answers is the essence of research methodology. Consistent with this is the understanding that the choice of the appropriate research methodology is pivotal to obtaining reliable and objective results. The chapter considered the research philosophy, the research design, the population of study, the method of data collection, the reliability and validity of the measurement instrument, the data analysis techniques, the operationalization of study variables and the criteria for testing the hypotheses.

3.2 Research Philosophy

Research philosophy is the set of beliefs, assumptions, and principles that underlie the way a research is approached (Park, Konge, & Artino, 2020). It guides the conduct of research by helping in clarifying and choosing the appropriate research design (Blumberg, Cooper & Schindler, 2014). Scholars argue that empirical research revolves around two main philosophies-phenomenology and positivism (Bryman & Bell, 2011). Positivism assumes the existence of independence between the observer and the observed and that knowledge is developed by interrogating the social reality by observing objective facts. On the other hand, phenomenology views reality as being constructed with the researcher being part of what is observed. It describes things not as per the lens of the researcher but as they. Therefore, whereas phenomenology is concerned with theory building, positivism is concerned with theory testing (Blumberg et.al 2014).

This study adopted the positivism paradigm due to its interest in the validity and replicability of the research, the accuracy of the observations and used existing theory to develop hypotheses which were tested. Further, the study not only sought to establish the correlations among the variables but also the robustness and direction of the relationships. The study is quantitative in nature with a distinct research focus and the researcher's role was restricted to data collection, and their objective interpretation.

The positivist philosophy, which places a strong emphasis on finding logical or mathematical proof generated from statistical analysis and the scientific testing of hypotheses, was born out of the natural sciences (Collis and Hussey, 2014). According to Collins (2011), a research anchored on a positivism philosophy has ontological, epistemological and methodological foundations. Ontology identifies what genuinely exists by concentrating on the general nature of things; epistemology covers studies on the character and breath of human knowledge whereas methodological is about deductions (Wong et al., 2011).

3.3 Research Design

This is a method or technique for collecting, assessing, and examining data generated in response to research objectives (Sekaran and Bougie, 2016). It involves setting up a system for gathering and evaluating data in a way that seeks to strike a balance between procedural economy and relevance to the research goal (Kothari, 2014). It provides a plan and framework that helps in the collection, measurement, and analysis of data (Blumberg *et.al*, 2014). It forms the solid foundation of the overall structure of the research effort and significantly impact the validity of the conclusions reached.

Bryman and Bell (2011) identifies five different types of study designs which include; experimental, cross-sectional, comparative, longitudinal, and case study designs. An experimental design entails manipulating the independent variable in order to determine whether it does in fact have an effect on the dependent variable. Manipulation requires establishing two groups; which groups are used as the foundation for manipulating the independent variable in experiments. The experimental group, the receives treatment and is compared with the control group which does not. In order to perform a before-and-after analysis, the dependent variable is assessed both before and after the experimental manipulation. However, a vast majority of independent variables with which business research is concerned with, cannot be manipulated.

A cross-sectional design entails the collection of data on more than one case at a single point in time in order to collect a body of quantitative or quantifiable data in connection with two or more variables which are then examined to detect patterns of association. A longitudinal design on the other hand is used to map change in business and management research. It involves drawing on phenomena at vertical and horizontal levels of analysis and the interconnections between the levels through time (Bryman & Bell, 2011). It thus entails examining data from across time. A case study design entails the detailed and intensive analysis of a single case which could be a single organization, a single location, a single person or a single event (Bryman & Bell, 2011). A comparative design entails the study using more or less identical methods of two or more contrasting cases or situations. It embodies the logic that social phenomena can be understood better when they are compared in relation to two or more meaningfully contrasting cases or situations (Bryman & Bell, 2011).

This study is descriptive in nature and was focused on identifying the what, when, and how much of phenomena (Cooper & Schindler, 2014). As such, descriptive cross-sectional survey design was the most appropriate approach. This is because data for this study was gathered at one point in time and involved the free observation and description of the subject's behavior independently (Sekaran & Bougie, 2016). The focus was to describe the hypothesized relationships among variables using quantifiable data collected from different cases at a point in time from a specified population without manipulation by the researcher; the aim being to establish patterns of associations among the variables (Bryman & Bell, 2011). Cross-sectional approach enables the researcher to accurately capture populations' characteristics' in a free natural occurrence and test the hypothesis (Sekaran & Bougie, 2016). Further, given that the variables of study are multidimensional constructs, they can be investigated using cross-sectional data sets. In related studies, Nybakk (2012) and Ombaka (2014) have used the design to test theory and the results were plausible.

3.4 Population of the Study

A population is the entire set of items with a common set of characteristics from which data for a statistical study is collected to draw conclusions about (Blumberg *et.al.*, 2014). And due to the small number of insurance companies in Kenya, this study did not consider sampling but conducted a census to collect the necessary data to answer the research question. A census is a count of all the elements in a population. The population of study therefore involved all the 56 licensed insurance companies in Kenya and the selection was inspired by the central role that the companies play in the economy in facilitating risk transfer, indemnification and financial intermediation (IRA, 2021).

With the emerging technologies, intense competition and innovations changing the insurance landscape, the need by insurance companies in Kenya to learn new ways to engage customers, improve efficiency and expand insurability remains key. Indeed, for majority of the companies, innovation is not a conscious, deliberate and ongoing activity but a response to competitor moves or sometimes to seize resultant opportunities (IRA, 2021). Yet customers are now more informed, keen on convenience and looking to insurers as risk consultants rather than just providers of coverage when a risk event occurs. As such other companies around the world are filling this gap by utilizing smart technology to prevent risk occurrences, and in enhancing the entire consumer experience. And with increased fraudulent claims and the offer of duplicate products being the norm (AKI, 2021), the need to embrace a learning orientation and innovation supported by a senior executive that is highly integrated must take center stage.

3.5 Data Collection

This a crucial activity that entails a systematic process of gathering observations or measurements from the target respondents to find answers or original insights into a research problem. In this research, a questionnaire using a Likert type scale rating was utilized to gather primary data (Appendix II). The respondents were asked to rank their extent of concurrence or otherwise with each of the items on a 5-point Likert type scale in the survey. Strong agreement with the supplied statement was indicated at one end of the scale, strong disagreement with it at the other, and there were intermediate points between them. A self-administered questionnaire was used because it is impartial and provided respondents enough time to provide thoughtful responses.

The questionnaire was sent to the respondents by email with a request to respond to the questions and sent the filled questionnaire either through email or hard copies to be collected by the researcher. The questionnaire was designed using measuring scales that were taken from literary works of Baker *et.al*. (2022); Stelmaszczyk, (2020); Zhang & Kwan, 2019; Agha *et.al*. (2012) and Porter, (1985) tailored to reflect the nature of the study. The questionnaire had five parts; with section A, focusing on data collection around the general information about the organizations and section B covering data on learning orientation. Sections C and D captured data on firm innovation and SE team integration respectively whereas Section E captured data on competitive advantage.

There was one respondent per company targeting the Chief Executive Officers (CEOs) and senior managers (Heads of Departments) who formed the executive team across the insurance companies. This was due to the fact that they were the main decision makers and are instrumental in affording an environment conducive for learning and innovation. The University of Nairobi letter explaining that the data was being gathered for academic purposes only was attached to the questionnaire that was emailed to the targeted respondents. The use of email was preferred due to the COVID-19 pandemic that was prevalent then and this was to avoid both physical contact with the respondents and physical handling of the questionnaire. Despite the risks associated with physical handling of the questionnaire, some respondents still preferred to print the questionnaire and fill the hard copies. To boost response rates, follow-ups was done through both email and telephone. This method has been used in other studies (Frohlich, 2002).

3.6 Reliability Test

Reliability refers to the measurement's accuracy and precision as well as the absence of changes in the findings if the study was to be repeated (Collis and Hussey, 2014). It is gauged based on the degree of consistency of results (Blumberg, Cooper & Schindler, 2014). The measures should be free of random and/or unstable errors and capable of working well at different times under diverse conditions. The measure therefore should demonstrate stability, equivalence and internal consistency for it to be considered reliable (Bryman & Bell, 2011). Stability is where an instrument secures consistency of results with repeated measurements of the same respondent. Equivalence is about the instrument producing consistent results with repeated measures by the same investigator. Internal consistency on the other hand is where the instrument provides consistent responses from one respondent (Bryman & Bell, 2011).

There are three methods of testing reliability which include; test-retest reliability, internal consistency and inter-rater reliability. The degree of stability of the measurement scores over time is measured by test-retest reliability. According to published research, a test-retest correlation of 0.80 or above is seen as a sign of good dependability. Inter-rater reliability measures how well various observers' evaluations are in tune with one another. Cronbach's alpha is widely employed to test reliability of quantitative data. Internal consistency on the other hand is the agreement of the respondents' answers across items on a multiple-item measure, such that all the items on the measure that are meant to

explain the same underlying concept, have the respondents' answers on those items being correlated.

This study adopted internal consistency to test reliability of the measurement tool (Blumberg *et.al.* 2014). It indicates the degree of reliability of a measurement based on multiple items. Computed alpha coefficients differ between 0 and 1 conditional upon the level of internal consistency. Many scholars consider an acceptable level of internal reliability to be a value of 0.7 (DeVellis, 2012) and this study adopted the same threshold. From the results of the study, all the variables had Cronbach's alpha coefficients above 0.7 and hence the tool met the reliability threshold. Additionally, reliability was further enhanced by pre-testing the questionnaire by selecting two (2) companies at random. The response and feedback were used to modify and improve the questionnaire. Reliability therefore reflects consistency and replicability of a measurement over time.

3.7 Validity Test

This is the level to which a test achieves its intended purpose (Blumberg *et.al.*2014) and is focused on the integrity of results and conclusions arrived at from any form of research (Bryman & Bell, 2011). Similar to reliability, validity is a means of evaluating the effectiveness of the study design and methodologies employed, with the goal of determining if the research findings accurately reflect the phenomenon they claim to measure (Collis and Hussey, 2014). In this study, the construct, content, and external validity of the research instrument were tested. Internal validity focuses on how sound the results are, in specifying a causal connection between the variables whereas external

validity looks at whether research results could be generalized beyond the research context (Drost, 2011).

Testing the appropriateness of conclusions drawn from observations or measurements is known as construct validity. The current study addressed concern for construct validity by adopting reliable measures from theory whereby the scales adopted for the questionnaire came from those used in earlier research, where their validity and reliability had been established. Therefore, for learning orientation scale, reference was made to Yang *et.al*. (2022) and Baker *et.al*. (2022); for firm innovation; Stelmaszczyk, (2020) and Hsu *et.al*. 2017, for senior executives' team integration; Zhang & Kwan, 2019, Lubatkin *et.al,* 2006 and Simsek *et.al*, 2005 and for CA; Agha, *et.al*. 2012 and Porter (1985). The study instrument's content validity was evaluated to determine how well it captured the anticipated behavior (Bryman & Bell, 2011). For this study, the questionnaire was pre-tested in two (2) insurance firms picked at random to enhance its content validity. Based on the responses, adjustments and modifications were made as appropriate with some items being reworded.

As proposed by Sekaran and Bougie (2016), the inclusion of both positively and negatively worded questions sought to reduce respondents' propensity to automatically tick points toward one end of the scale. This helped in assessing the instrument validity particularly its clarity, relevance, completeness and comprehension by the respondents. The two (2) firms that participated in the pilot-test were not part of the population for final data collection. Following the application of the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity (BTS) to each variable

to decide data adequacy for factor analysis, the factor analysis method was utilized to evaluate the validity of the measures. Kaiser-Meyer-Ohlin (KMO) measure using values above 0.6; Bartlett's test of Sphericity; p<0.05 was used as the threshold.

3.8 Operationalization of Key Study Variables

Operationalization entails the explicit specification of variables in a manner that their measurement is made possible. In the study, learning orientation, firm innovation, SE team integration and competitive advantage were conceptualized as the independent, mediating, moderating and dependent variables respectively. Interval measurement scale and specifically the 5-point Likert type rating scale was used. Table 2 outlines the operational indicators, supporting literature, and measurement scale used to operationalize the study's variables.

Table 2: Operationalization of Key Study Variables

Variable	Nature	Operational indicators	Supporting literature	Measurement	Research questionnaire
Learning Orientation	Independent Variable (IV)	Commitment to learning, shared vision, open-mindedness,	Yang *et.al*. 2022; Baker *et.al*. (2022); Nybakk (2012)	5-Point Likert-type scale was used	Appendix 1 Section B No. 13 (1-16)
Firm Innovation	Mediating Variable (MeV)	Process, product & administrative Innovation	Stelmaszczyk, (2020); Hsu *et.al*. 2017; Kising'u,*et.al*. 2016;	5-Point Likert-type scale was used	Appendix 1 Section C No. 14 (1-17)
SE team integration	Moderating Variable (MV)	collaborative interaction, information exchange & Consultative decision making	Zhang & Kwan, 2019; Lubatkin *et.al*, 2006; Simsek *et.al*, 2005	5-Point Likert-type scale was used	Appendix 1 Section D No. 15 (1-19)
Competitive Advantage	Dependent Variable (DV)	Market responsiveness & firm flexibility,	Agha, *et.al*. 2012, Macmillan & Tampo, (2000) Porter (1985)	5 Point Likert-type scale was used	Appendix 1 Section E No. 16 (1-22)

Variable	Nature	Operational indicators	Supporting literature	Measurement	Research questionnaire
		differentiated products			

Source: Researcher, 2021

An essential component of research and a key component of research design is the measurement of the variables (Sekaran & Bougie, 2016). Operationalization entails simplifying abstract concepts so they may be measured in concrete terms. In order to create an index of measurement for the concept, the behavioral dimensions, facets, or features signified by the concept are examined and then translated into elements that can be observed and quantified. Additionally, if the construct has multiple dimensions, it must be assured that the measure has questions that sufficiently represent each of these domains or dimensions. A valid measuring scale comprises quantitatively measurable items that adequately represent the construct's domain.

In this study, existing measurement scales were used which allowed the researcher to verify other people's results and expand on other's work. For instance, learning orientation was operationalized as an independent variable using the dimensions of commitment to learning, shared vision and open-mindedness as proposed by Yang *et.al*. (2022) and Baker *et.al*. (2022). Firm innovation was operationalized as a mediating variable using the dimensions of product, process and administrative innovation as used in studies by Stelmaszczyk, (2020), Hsu *et.al*. (2017) and Kising'u,*et.al*. (2016). On the other hand, SE team integration was operationalized as a moderating variable using the dimensions of collaborative interaction, information exchange & Consultative decision making as used in studies by Zhang &

Kwan (2019), Lubatkin *et.al*, (2006) and Simsek *et.al.* (2005). Competitive advantage was operationalized as the dependent variable using the dimensions of market responsiveness, firm flexibility and differentiated products as proposed by Agha, *et.al*. (2012), Macmillan and Tampo, (2000) and Porter (1985). The respondents were asked to report their companies' behavior patterns by responding to some specific questions for each variable on a 5-point Likert scale that was provided. The measurement scale was interval in nature.

3.9 Data Analysis

This involves the action of cleaning, converting, and modeling of data to find relevant information to address the research objectives. The data was cleaned, checked for completeness and coded prior to entry into the statistical analysis software (SPSS). Diagnostic tests for homogeneity of variance (homoscedasticity), multicollinearity, linearity, and normality were performed. Normality test was conducted using Shapiro-Wilk measure as recommended by Razali and Wah (2011) to check whether data distribution was normal. Normally distributed data should have a Shapiro-Wilk p-value above 0.05. Results from the study indicated that all the variables' Shapiro-Wilk p-values were above 0.05; with learning orientation (0.064), firm innovation (0.673), SE team integration (0.052) and competitive advantage (0.829); indicating the normal distribution of data for all the variables.

The data was also put through a multicollinearity test using Variance Inflation Factors (VIFs) to test the degree of correlation between the independent variables of study. Variance inflation factors of 1 indicates no correlation at all among the independent variables whereas those above 10 indicate multicollinearity. Results from the study indicated a lack of multicollinearity among the independent variables since their VIFs

were within the range; learning orientation (2.737), firm innovation (2.536) and SE team integration (2.220). By examining the linear relationship between the dependent variable and the predictor variables' parameters, linearity was also tested. The homogeneity of variance was tested using Levene test. To test for this, p-values were used where a p> 0.5 implied that heteroscedasticity was not found. Heteroscedasticity leads to a distortion of results. The diagnostic tests met the assumptions for linear regression analysis.

Both descriptive and inferential statistics were employed in the presentation of the analyzed data. Descriptive statistics organized the respondents' demographic and behavioral data and presented it in form of central tendency measures, measures of frequency and measures of dispersion among others. Inferential statistics was utilized to assess the character and magnitude of linkages amongst variables arising from hypothesis testing. Simple regression analysis was carried out to establish the impact of learning orientation on competitive advantage. Hierarchical linear regression was used to check the moderating influence of senior executive team integration on the link between LO and competitive advantage (Baron & Kenny, 1986).

Similarly, to check the mediation impact of firm innovation on the link between learning orientation and competitive advantage using the Baron & Kenny (1986) regression procedure, path analysis (stepwise) regression analysis was used. To support an intervening effect, the mediating variable must account fully for the LO-CA relationship. Complete mediation is said to exist where the effect of LO on competitive advantage becomes zero. Conversely, partial mediation happens where the effect of LO on CA assumes a lower regression coefficient when both learning orientation and firm

innovation are used to predict competitive advantage. Additionally, multiple linear regression (Cooper & Schindler, 2014) was carried out to establish the joint effect of learning orientation, firm innovation and SE team integration on competitive advantage of Kenyan insurance firms. The extent and significance of association between the variables was therefore determined through the use of a regression model as shown in Table 3.

Table 3: Summary of Statistical Test of Hypotheses

	Research Objective	Research Hypotheses	Analytical model	Interpretation
1	To establish the effect of learning orientation on competitive advantage of Insurance companies in Kenya	H_{01}: learning orientation has no significant effect on competitive advantage of insurance Companies in Kenya	Simple linear regression analysis $CA_1 = \beta_{10} + \beta_{11}LO + \varepsilon_1$ *Where* CA_1 = Competitive advantage β_{10} = Regression constant β_{11} = regression coefficient. LO = composite score for learning orientation ε_1 = Error term	• R^2 evaluated the amount of change in competitive advantage due to learning orientation • F - test evaluated the regression model's overall robustness and significance • t - test to determine significance of individual variables • p-value assessed the statistical significance of learning orientation
2	To establish the effect of SE team integration on the relationship between learning orientation and competitive advantage of insurance companies in Kenya	H_{02}: Senior executive team integration has no significant moderating effect on the relationship between LO and CA of insurance companies in Kenya.	Hierarchical linear regression analysis $CA_2 = \beta_{20} + \beta_{21}LO + \beta_{22}SETI + \beta_{23}LOSETI + \varepsilon_2$ *Where*: CA_2 = Composite score for CA $\beta_{20,}$ = Regression constants $\beta_{21}, \beta_{22}, \beta_{23}$ = Regression coefficients $LO_=$ composite score for LO. SETI = Composite score for SE team integration LOSETI=Interaction term ε_2 = error terms.	• R^2 and change in R^2 evaluated how much change in CA was due to LO and SETI • F - test evaluated the regression model's overall robustness and significance • t - test to determine significance of individual variables • p-value evaluated the statistical significance of the variables

Table 3.1 Cont'd…

	rch Hypotheses	Analytical model	Interpretation
	Objective		
3	To assess the influence of firm innovation on learning orientation and competitive **Table 3 Cont'd…** companies in Kenya	H_{03}: Firm innovation has no significant mediating effect on the relationship between learning orientation and competitive tage of insurance companies in Kenya.	Stepwise Regression analysis (Path analysis) Step 1: $CA_3 = \beta_{30} + \beta_{31}LO + \varepsilon_3$ Step 2: $FI = \beta_{40} + \beta_{41}LO + \varepsilon_4$ Step 3: $CA_4 = \beta_{50} + \beta_{51}FI + \varepsilon_5$ Step 4: $CA_5 = \beta_{60} + \beta_{61}LO + \beta_{62}FI + \varepsilon_6$ *Where:* $B_{30}, \beta_{40}, \beta_{50}, \beta_{60} =$ Regression constants $B_{31}, \beta_{51}, \beta_{61}, \beta_{62} =$ Regression coefficients $CA_3, CA_4, CA_5 =$ Competitive advantage LO = Composite score for learning orientation FI = Composite score for firm innovation; $\varepsilon_3 - \varepsilon_6 =$ Error term	• R^2 and change in R^2 evaluated how much change in CA was due to learning orientation and firm innovation • F - test evaluated overall robustness and significance of the regression model • t - test to determine significance of individual variables • p-value evaluated the significance of the variables
4	To determine the joint influence of learning orientation, firm innovation and senior executives' team integration on competitive advantage of insurance companies in Kenya	H_{04}: There is no significant joint effect of LO, SE team integration and firm innovation on competitive advantage of insurance companies in Kenya.	Multiple Linear regression analysis $CA_6 = \beta_{70} + \beta_{71}LO + \beta_{72}FI + \beta_{73}SETI + \varepsilon_7$ Where $CA_6 =$ Competitive advantage $B_{71}, \beta_{72}, \beta_{73} =$ Regression coefficients LO = Composite score for learning orientation FI = composite score for firm innovation SETI = composite score for SE team integration $\varepsilon_7 =$ Error term	• R^2 assessed how much change in CA was due to independent variables • F - test assessed the regression model's overall robustness and significance • t - test to determine significance of individual variables • p-value assessed significance of the variables

Source: Researcher, 2021

In the chapter, the methodology employed for the study is presented. The research philosophy and the research design adopted, the population of study which covered all the 56 registered insurance firms in Kenya is discussed. Further, the data collection and data analysis models employed, reliability and validity tests of the measurement instrument and operationalization of the study variables discussed. The next chapter presents the data analysis, findings and interpretation of the results of the study.

CHAPTER FOUR
DATA ANALYSIS AND FINDINGS

4.1 Introduction

The key objective of the research was to assess the impact of firm innovation and senior executives' team integration on the relationship between learning orientation and competitive advantage of insurance companies in Kenya. From the broad objective, four (4) specific objectives were derived and four (4) hypotheses formulated and tested. Data was collected using a questionnaire, cleaned and checked for completeness and coded before being analyzed. The data was tested for reliability, validity and sampling adequacy. Descriptive statistics, correlation analysis and regression analysis were used for further analysis.

The Pearson's product-moment correlation coefficient (r) was used to determine correlation. Regression analysis was carried out to understand the associations among the variables. Bartlett's test of sphericity (BTS) and the KMO measure of sampling adequacy were used to assess the sample's suitability and the data's factorability. Bartlett's test of sphericity value of $p < 0.05$ and KMO value > 0.6 was used as the threshold for carrying

out factor analysis on the data using principal component analysis. The study's preliminary findings, including the response rate and the outcomes of reliability and validity tests, are presented and discussed in this chapter. Organizational demographics and the manifestation of variables within the insurance firms were analyzed and presented using descriptive statistics- frequency tables, mean, standard deviation and coefficient of variation are discussed. The hypotheses were also tested.

4.2 Reliability Tests

To evaluate the internal consistency of items within the instrument, Cronbach's Alpha coefficient was utilized. Cronbach's alpha coefficients lie between 0 and 1 and measure question relatedness and therefore the higher the alpha, the more related the questions are (Bryman & Bell, 2014). Various scholars have proposed varied thresholds to measure reliability of a research instrument. This study had adopted an alpha coefficient of 0.7 and above to denote an acceptance level as proposed by Cooper and Schindler (2011). The table below indicates the Cronbach's alpha coefficients for all the study variables.

Table 4: Reliability Test

Variables	Cronbach's Alpha	No. of Items	Conclusion
Learning Orientation	0.947	16	Reliable
Firm Innovation	0.912	17	Reliable
SE Team Integration	0.910	19	Reliable
Competitive Advantage	0.922	22	Reliable

Source: Field data (2021)

Table 4 indicates that the alpha coefficients were greater than the 0.7 threshold; ranging between 0.910 and 0.947, hence all the variables were reliable and acceptable for the study. Bryman and Bell (2014) proposed that an alpha coefficient of 0.8 and above implies an acceptable level of internal consistency. Creswell and Clark (2017) recommended the minimum acceptable reliability alpha coefficient should be 0.7 and above.

4.3 Validity Tests

The study used expert advice from the supervisors as well as feedback from discussants during the various presentations to review and validate the data collection instrument so as to ensure both content and face validity as proposed by Gillham, (2011). Further, the research instrument was pre-tested using two (2) insurance firms to determine validity and reliability. The feedback received was used to improve the instrument. Gomez-Haro *et. al.* 2011 posits that given the complex task of developing a research instrument, it is advisable to follow suggestions of previous empirical studies. Construct, face, and content validity were examined in the study.

The results of the application of the measure were assessed for construct validity, which measures how well the results reflect the theories around which the test is created (Saunders, Lewis & Thornhill, 2012). This was assessed by ensuring that the instrument indicators and measurements were properly developed based on pertinent existing literature. Further, construct validity was tested through factor analysis using principal component analysis (PCA). This ensured that the number of items were reduced whilst retaining the most amount of information in the data. However, before to doing PCA, the

KMO measure of sample adequacy and Bartlett's Test of Sphericity were used to assess whether the data were suitable for factor analysis. Data patterned relationships are tested using KMO and Bartlett's Test of Sphericity. In prior studies, factor analysis was applied to test the reliability of the data gathering instrument (Ellyawati, Purwanto & Dharmmesta, 2012; Njeru, 2014).

4.3.1 KMO and Bartlett's Test

To test for validity, each variable was subjected to KMO (Measure of Sampling Adequacy) and Bartlett's Test of Sphericity. KMO values range between 0 and 1. The closer the KMO values are to 1, the better in yielding reliable factors (Yong and Pearce, 2013). Field (2005) states that the Bartlett's Test of Sphericity determines whether or not data have a patterned relationship as evidenced by computed p values. If $p<0.05$, then the data have a patterned relationship and are suitable for factor analysis, and vice versa. Therefore, the general guideline is that the Bartlett's Test of Sphericity must have $p<0.05$ and KMO values over 0.6 in order for factor analysis to be deemed suitable. KMO levels above 0.5 are deemed acceptable, above 0.7 are regarded outstanding, and above 0.8 are rated as great, according to Field (2005).

Table 5: KMO and Bartlett's Test

Variable	Kaiser-Meyer-Olkin Measure of Sampling Adequacy	Bartlett's Test of Sphericity		
		Approx. Chi-Square	Df.	Sig.
Learning Orientation	0.983	604.438	120	000
Firm Innovation	0.824	546.930	136	000
SE Team Integration	0.850	579.557	171	000

Competitive Advantage	0.811	801.345	231	000

Source: Field data (2021).

From Table 5, all the variables have KMO values above 0.8 and as advocated by Field (2005), they are rated as great and therefore considered suitable to carry out factor analysis to determine instrument validity.

4.3.2 Explained Variance

Principal component analysis was used to assess the validity of the approach in order to determine the fewest number of components that explained the largest amount of variance in the data. It reduced the original variables into a more manageable set of linear combinations while taking into consideration the overall volatility in the data. Using eigenvalues, the total variance explained by each factor was calculated. Eigen values show the relative weights each component has in explaining the particular set of variables under analysis (Kline, 2016)

For each theorized sub-scale, a multi-dimensional scale should have at least three elements, but ideally five or more is preferable. Two items for a sub-scale may be permissible in extremely rare circumstances (Yong and Pearce, 2013; Kline, 2016). The range of recommended minimum pattern coefficient values is 0.40 to 0.70. This implies that all items with pattern coefficients equal to or greater than the selected cut-off value can be regarded as "good" items and should be retained in the survey (Matsunaga, 2010).

In order to identify the explained changes and extract factors using the Kaiser's criterion, validity tests on the data were conducted. As a result, it is recommended that only the primary components with eigen values greater than 1 be retained. 16 elements made up

the learning orientation, and 3 factors were extracted, indicating that the data was reduced and reorganized around the 3 factors extracted. The 3 factors explained 72.3% of the variance in eigen values. 54.7% of the total was contributed by the first factor, 10% by the second, and 7.5% by the third factor. The factors and initial eigenvalues obtained from running factor analysis for learning orientation are shown in Table 6.

Table 6: Total Variance Explained for Learning Orientation

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.758	54.739	54.739	8.758	54.739	54.739	4.203	26.270	26.270
2	1.605	10.030	64.769	1.605	10.030	64.769	3.746	23.415	49.685
3	1.202	7.513	72.282	1.202	7.513	72.282	3.616	22.597	72.282
4	.874	5.461	77.743						
5	.647	4.042	81.784						
6	.562	3.512	85.297						
7	.501	3.132	88.429						
8	.390	2.440	90.869						
9	.299	1.868	92.737						
10	.285	1.778	94.516						
11	.215	1.347	95.862						
12	.186	1.164	97.027						
13	.159	.993	98.019						
14	.128	.798	98.817						
15	.111	.696	99.513						
16	.078	.487	100.000						

Extraction Method: Principal Component Analysis.

Source: Field data 2021

From Table 6, it is noted that cumulatively, the three factors explained 72.3% variance in learning orientation. This high level of variance explanation demonstrates that the items (questions) asked were relevant for assessing the concept of learning orientation.
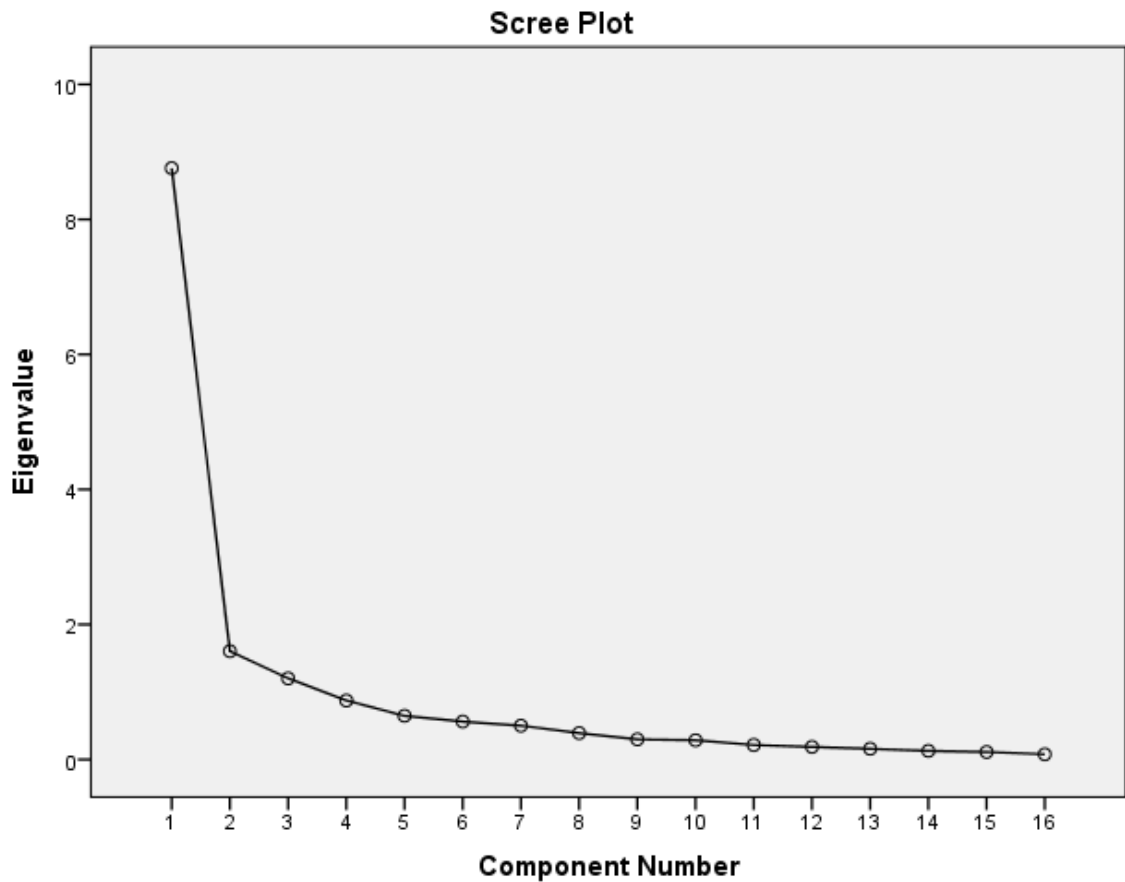
Figure 2: Scree Plot for Learning Orientation
Source: Field data 2021

The scree plot in Figure 2 indicates the flow of explained variance in learning orientation. It is illustrated by a smooth curve from left to right in a declining balance. In tandem with the eigen values percentage variance, the first factor recorded the highest explanation at

54.7%, the second at 10% and the third at 7.5% after which the slope flattens out. Table 4.4 below presents the explained variance for firm innovation with data collected using 17 items. Running factor analysis on the data yielded four (4) factors extracted. These factors cumulatively provided 72.4% explanation of variation in the variable.

Table 7: Total Variance explained for Firm Innovation

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.839	46.112	46.112	7.839	46.112	46.112	5.077	29.864	29.864
	1.818	10.694	56.806	1.818	10.694	56.806	4.108	24.162	54.026
3	1.405	8.263	65.069	1.405	8.263	65.069	1.741	10.239	64.265
4	1.242	7.304	72.372	1.242	7.304	72.372	1.378	8.108	72.372
5	.726	4.268	76.641						
6	.691	4.067	80.707						
7	.657	3.867	84.574						
8	.521	3.064	87.638						
9	.398	2.340	89.978						
10	.348	2.045	92.023						
11	.310	1.826	93.849						
12	.283	1.666	95.515						
13	.252	1.483	96.998						
14	.203	1.193	98.191						
15	.145	.850	99.041						
16	.092	.544	99.584						
17	.071	.416	100.000						

Extraction Method: Principal Component Analysis.

Source: Field data 2021

From the Table 7, the very high rate of explanation of variation of firm innovation indicates that the items (questions) asked were appropriate in assessing firm innovation. The first factor offered the most explanation at 46.1%, the second factor at 10.7%, the third factor at 8.3% and the fourth factor at 7.3%. This implies that the data was reduced and consolidated around 4 factors which are effective enough in representing all the components highlighted by the stated 17 items.
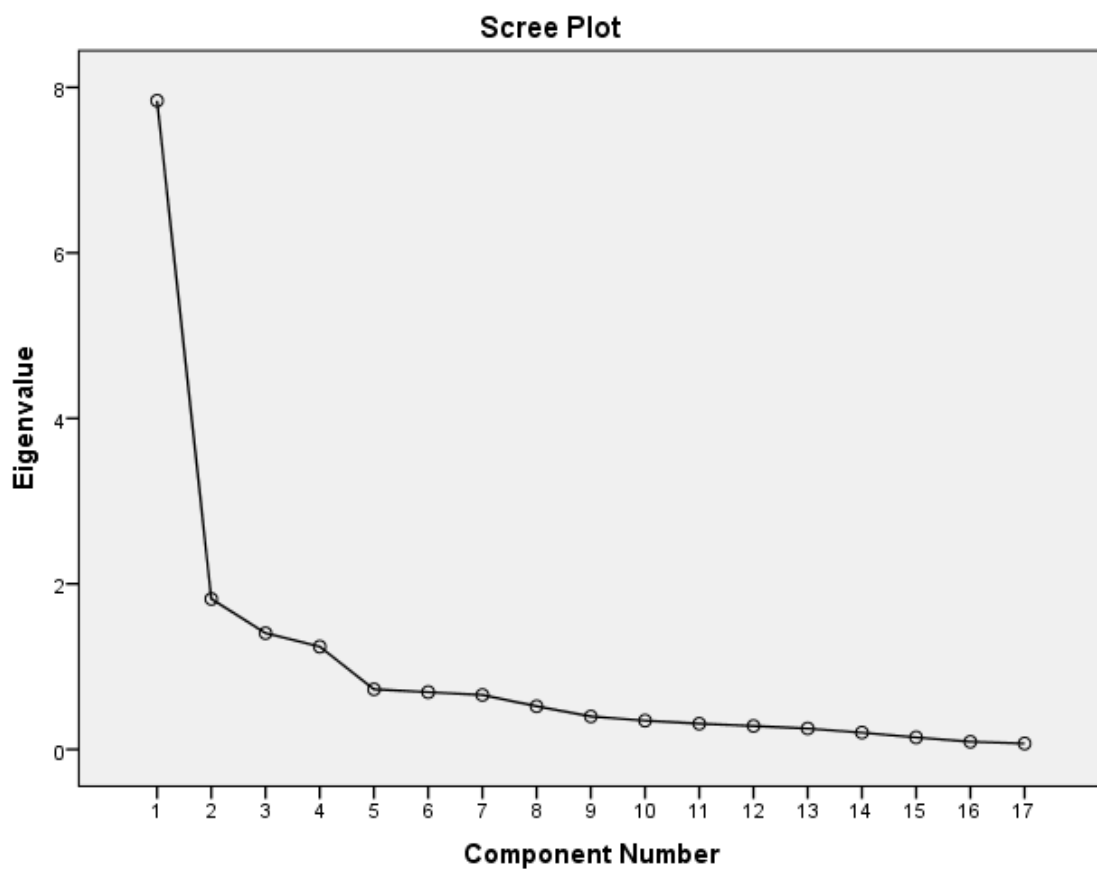
Figure 3: Scree Plot for Firm Innovation

Source: Field data 2021

The scree plot depicts a sharp fall from factor 1 to factor 2. This implies that the first component explained much of the variability, the next few components explained a moderate amount, and the latter components only explain a small fraction of the overall

variability. The graph helps in determining how many factors to retain. Table 8 below presents the explained variance for SE team integration with data collected using 19 items. Running factor analysis on the data yielded four (4) factors extracted. These factors cumulatively provided 68.2% explanation of variation in the variable. This was a very high level of explanation suggesting that the items (questions) asked were appropriate in assessing SE team integration.

Table 8: Total Variance Explained for SE Team Integration

Compo nent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulativ e %	Total	% of Variance	Cumulative %
1	8.717	45.879	45.879	8.717	45.879	45.879	4.696	24.714	24.714
2	1.852	9.749	55.627	1.852	9.749	55.627	3.611	19.005	43.718
3	1.321	6.952	62.579	1.321	6.952	62.579	2.358	12.410	56.129
4	1.063	5.597	68.176	1.063	5.597	68.176	2.289	12.047	68.176
5	.866	4.559	72.735						
6	.794	4.177	76.912						
7	.752	3.956	80.868						
8	.576	3.031	83.899						
9	.520	2.735	86.634						
10	.484	2.547	89.181						
11	.417	2.194	91.376						
12	.334	1.759	93.135						
13	.325	1.709	94.844						
14	.241	1.268	96.112						
15	.200	1.055	97.166						
16	.178	.939	98.106						
17	.145	.762	98.867						
18	.128	.675	99.543						
19	.087	.457	100.000						

Extraction Method: Principal Component Analysis.

Source: Field data 2021

According to Table 8, the first factor explained the most variation at 45.9%, followed by the second at 9.7%, the third at 6.9%, and the fourth at 5.6%.. This implies that the data was reduced and consolidated around 4 factors which are effective enough in representing all the components highlighted by the stated nineteen (19) items for SE team integration.
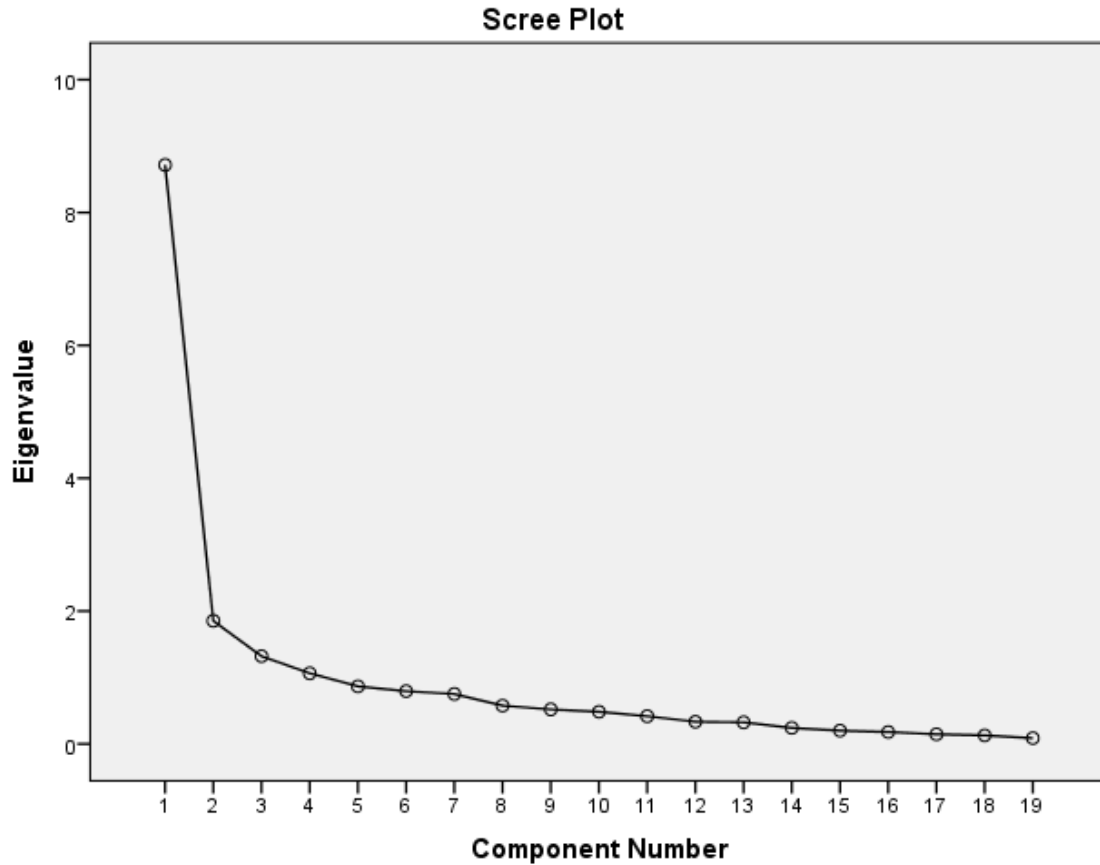
Figure 4: Scree Plot for SE Team Integration

Source: Field data 2021

The scree plot started high on the left, falling rather quickly, and then flattening out after factor 4. This indicates that the first component explained much of the variability, with the next few components explaining a moderate amount, and the latter components only explaining a small fraction of the overall variability.

Table 9 presents the explained variance for competitive advantage with data collected using 22 items. Running factor analysis on the data yielded five (5) factors extracted. These factors cumulatively provided 73.3% explanation of variation in the variable. This was a very high level of explanation suggesting that the items (questions) asked were pertinent in assessing competitive advantage.

Table 9: Total Variance Explained for Competitive Advantage

Compon ent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.673	43.967	43.967	9.673	43.967	43.967	6.620	30.091	30.091
2	2.490	11.318	55.285	2.490	11.318	55.285	3.113	14.149	44.240
3	1.653	7.513	62.798	1.653	7.513	62.798	2.318	10.536	54.775
4	1.265	5.752	68.550	1.265	5.752	68.550	2.183	9.921	64.697
5	1.055	4.795	73.345	1.055	4.795	73.345	1.903	8.648	73.345
6	.842	3.829	77.174						
7	.729	3.312	80.486						
8	.644	2.927	83.413						
9	.627	2.849	86.262						
10	.554	2.520	88.782						
11	.529	2.406	91.189						
12	.368	1.671	92.859						
13	.327	1.486	94.345						
14	.269	1.220	95.565						
15	.201	.914	96.479						
16	.182	.828	97.307						
17	.160	.728	98.035						
18	.121	.550	98.584						
19	.104	.472	99.057						
20	.089	.405	99.462						
21	.067	.307	99.768						
22	.051	.232	100.000						

Extraction Method: Principal Component Analysis.

Source: Field data 2021

As indicated in Table 9, the first factor provided the most explanation at 44%, second factor at 11.3%, third factor at 7.5% and the fourth and fifth factors at 5.8% and 4.8% respectively.
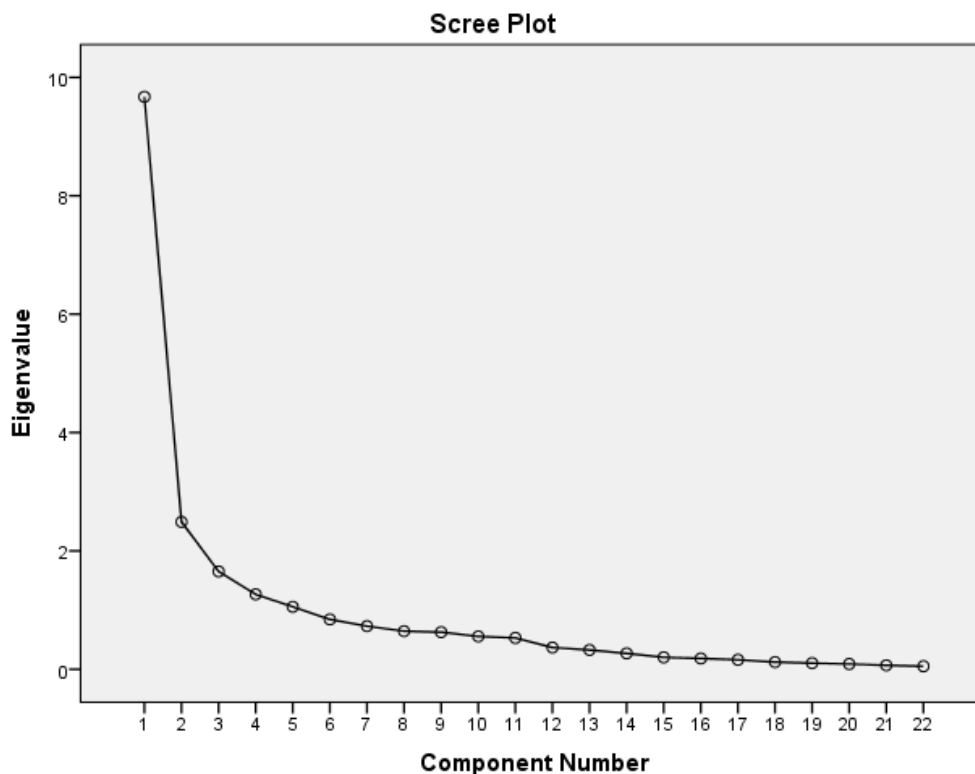
Figure 5: Scree Plot for Competitive Advantage

Source: Field data 2021

From the scree plot in Figure 5, and in tandem with the eigen values percentage variance, the first factor recorded the highest explanation at 44%, the second at 11.3%, the third at 7.5%, the fourth at 5.8% and the fifth at 4.8% after which the slope flattens out.

4.3.3 Rotated Component Matrix

In the study, factor analysis using principal component analysis was used to test validity of the research instrument. The analysis realized data reduction on each individual

variable. Learning orientation produced 3 factors, firm innovation and SE team integration each produced 4 factors, while competitive advantage produced 5 factors. Additionally, Varimax was used to rotate the component matrix that was created using Kaiser Normalization. This was to simplify the interpretation of the factor analysis. The rotated component matrix for learning orientation is presented in Table 10. It is described by three (3) factors.

Table 10: Rotated Component Matrix for Learning Orientation

Statement	Component		
	1	2	3
There is general consensus among managers in our organization that learning is key to achieving overall company goals	.775	.323	.246
It is a common belief in our organization that learning leads to organizational improvement	.862	.299	.190
Our company philosophy is to treat learning as key to our long-term survival	.808	.251	.277
We believe that learning is vital to our competitiveness	.888	.155	.215
Our organization provides enough opportunities for learning	.272	.512	.455
Learning is viewed in our company as being critical to firm prosperity and growth	.690	.321	.381
We have a unity of purpose and direction in our company	.329	.812	.074
Our company vision is known and understood across all functions of the company	.252	.769	.134
There is total commitment by all employees to meeting the objectives of the company	.281	.578	.165
All staff are involved and engaged in strategy formulation and execution.	-.050	.670	.508
Staff are free to question the status-quo and are often encouraged to suggest new approaches of doing things	.445	.630	.429
We acknowledge that we must repeatedly interrogate how we perceive the market place	.370	-.011	.739

We incessantly assess how decisions are made and how activities are conducted in our company	.334	.582	.539
Staff are encouraged to "think outside the box"	.233	.368	.787
As managers, we are open to diverse opinions	.158	.416	.744

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Source: Field data 2021

From the Table 10, factor 1 was described by a general consensus among managers that learning is very key to achieving overall organizational goals, that learning leads to organizational improvement, learning being key to long term survival, learning being vital to competitiveness, firm prosperity and growth. These are indicators of the organizations' commitment to learning as a prerequisite for achieving competitive advantage. Factor 2 was characterized by organizational shared vision- that there should be a unity of purpose and clear direction for organization members, the organization vision should be known and understood across the organization, commitment by employees to meeting organizational objectives, involvement of staff in strategy formulation and execution.

Factor 3 was described by the culture of questioning the status quo by interrogating perception about the market place and beliefs and assumptions about how customers are viewed, thinking outside the box and being open to diverse opinions or views. This is an indicator of open-mindedness among the firms in the industry. The rotated component matrix for firm innovation is presented in Table 11 which was represented by four (4) factors.

Table 11: Rotated Component Matrix for Firm Innovation

Statement	Component			
	1	2	3	4
As an organization, we are always the first to market in offering new products	.298	.805	.027	-.017
Our new products range has increased in the last 3 years	.285	.696	.242	-.053
We align our strategies and procedures with emerging **Table 4.11 Cont'd…** ith new products faster	.392	.663	.040	.353

Statement	Component			
	1	2	3	4
We make efforts to grow our product and service channels	.240	.787	-.099	-.037
Our customers perceive our new products as very novel	.288	.803	.076	.073
We continuously carry out market research to understand and meet customer requirements	.612	.351	-.174	.267
As a leadership team, we strive to integrate our management structures with the customers' needs in mind	.747	.326	.211	-.036
We copy novel business systems used by our competitors	.050	-.023	-.126	.915
We have a dedicated and sufficiently funded research and development department	.310	.599	-.517	-.185
Our company actively seeks new ideas	.559	.454	-.205	.247
Our company perceives innovation as such a risky venture that it is always avoided	.014	-.058	.722	-.327
Our company penalizes employees whose new ideas fail	.024	.177	.810	.055
We are always focused on continuous process reviews and improvements focused on product quality improvement	.767	.217	.144	.159
Our processes guarantee the provision of customized innovative products and services that meet our customers' emerging needs	.745	.425	.097	.230
We pursue innovative methods to do things	.839	.342	.037	.075

Statement		
We are an early adopter of new service improvement processes.	.837 .281 -.120 -.138
We employ the latest technology in the industry	.850 .141 -.201 -.161

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Source: Field data 2021

From the Table 11, factor 1 was described by the need and urgency to review firm processes. This was described by continuous process reviews, provision of products and services that meet customers' emerging needs, the need to embrace new technology and innovative ways of doing things including aligning management structures to customers' needs. Factor 2 was defined by customer offerings around new and broad range of novel products, growth of product and service channels as well as alignment of strategies and procedures with emerging market demands. This is an indicator of product innovation.

Table 12: Rotated Component Matrix for SE Team Integration

Statement	Component			
	1	2	3	4
As senior managers, we analyze unsuccessful innovative ideas and share the lessons learnt across the organization	.606	.250	.236	.273
We have devised a mechanism for sharing information on organizational activities across teams	.179	.755	-.014	.082
We repeatedly emphasize the value of sharing knowledge widely in our organization	.312	.721	.121	.164
We emphasize the importance of sharing lessons and experiences learnt from history	.695	.483	.062	-.129
We have a comprehensive induction program for new team members who join the company	.175	.478	.124	.522

Statement				
We have a mechanism in place for acquiring and sharing new information about our industry	.272	.706	.251	.116
As senior executives' in our company, we keep alive conversations on past experiences and share lessons learnt	.471	.717	.107	.036
We seek not to control but inspire and encourage our employees to work as a team	.237	.543	.489	.426

	Component			
Statement	1	2	3	4
Our employees feel free to share their opinions and perspectives on any issue whilst observing mutual genuine respect for each other	.496	.123	.618	.287
Our employees feel safe sharing their opinions, skills and knowledge without fear of victimization.	.503	.080	.653	.268
As senior executives, silo-mentality is the norm	.038	-.042	-.112	.777
We are comfortable sharing our knowledge and experiences to make work easier for each other.	.744	.156	.209	.177
We are willing to support team members to complete their jobs as planned and to meet deadlines.	.828	.190	.025	.063
We usually let other team members know when our actions and decisions affect them	.759	.279	.187	.150
We usually engage other team members to understand their needs and challenges	.757	.360	.072	.139
We usually discuss our expectations of each other as senior managers	.594	.496	.172	.172
We usually consult each other before taking key decisions that have organization-wide implications	.284	.169	.345	.661
We are usually involved in the strategy formulation and execution activities in our firm	.114	.335	.418	.627
There are certain key decisions affecting our departments that are the preserve of the CEO and the Board	-.005	-.113	-.852	.045

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 7 iterations.

Source: Field data

Factor 3 described the firms' attitudes towards innovation being embraced and encouraged. Factor 4 defined assessment of internal systems in comparison with those of competitors; a description of the status of administrative innovation within the firms. The factors described aspects of product innovation, process reengineering and reorganization of internal systems and structures. The rotated component matrix for SE team integration is presented in Table 12 which was represented by four (4) factors.

From the Table 12, factor 1 was described by sharing of lessons learnt from history to inform future decision making, supporting and caring for team members by discussing expectations, challenges and how to succeed together as a team. Factor 2 defined having a mechanism in place for sharing knowledge and information, seeking to get fresh insights and details regarding the industry and sharing across the entire organization, inspiring and encouraging employees to work as a team.

Factor 3 described the effort and initiative by senior executives to create a conducive environment in the work place that encourage employees to feel free to share their opinions and perspectives on any issues in the organization whilst observing genuine mutual respect for others as well employees feeling safe sharing their opinions, skills and knowledge without fear of victimization. Factor 4 defined among the items; availability

of a comprehensive induction programme for new members, that there is no silo-mentality, involving and consulting team members in actions and decisions affecting them. This is a culmination of a consultative senior executive team. The rotated component matrix for competitive advantage is presented in Table 13 which was described by five (5) factors

Table 13: Rotated Component Matrix for Competitive Advantage

	Component				
Statement	1	2	3	4	5
Our response to competitor moves in the market place is impressive	.139	.422	.194	.265	.629
We have an excellent response speed in handling customer complaints	.594	.226	.318	.088	.212
Our ability to proactively track emerging customer needs and expectations is unmatched in the industry	.428	.692	.300	.182	.082
Our speed of gathering market information for use in designing marketing strategies is excellent	.592	.559	.154	-.096	.328
We have an elaborate system of sharing information internally about competitors	.597	.471	.051	-.035	.278
We have always been a step ahead of our rivals in launching new products over the last 5 years	.182	.620	.538	-.094	.180
Our organization annually conducts market surveys	.646	.556	-.021	-.089	.007
Our ability to react quickly to developments in the marketplace is unrivalled	.275	.733	.210	-.056	.415
We are known for a service flexibility which gives us an edge over our rivals.	.678	-.154	.064	-.175	.485
It is common knowledge for senior management in our organization to grant employees the space and complete leeway including flexi-hours to do their work	.608	-.016	.523	-.267	.090

| | .208 | .207 | .067 | -.048 | .818 |

Over time, we have been known to offer our customers better and flexible premium payment terms than our competitors. — .208 .207 .067 -.048 .818

Our systems and structures are always designed, developed and updated with the customers' emerging needs in mind — .840 .057 .080 -.065 .225

	Component				
Statement	1	2	3	4	5
Management and employees' relationships always focus largely on efficiency and effectiveness in meeting customer needs	.768	.267	.170	-.042	.076
Our company continuously works on developing and improving employee skills to meet market requirements.	.753	.185	.285	-.074	.019
Seeking to know the market characteristics to help in the formulation of appropriate marketing strategies is our norm.	.816	.385	-.042	-.101	.051
Our customer relationship management systems are regularly upgraded to meet emerging customer needs	.749	.300	.217	-.021	.058
Our policies, processes and procedures have always been a significant drag on our operational effectiveness and decision making.	-.219	-.068	-.020	.843	.078
Our company assures continuous support in our effort to meet emerging needs of our customers.	.771	.184	.065	.003	.076
There are many levels involved in decision making in our organization.	.286	.123	-.101	.777	-.205
Decision-making in our organization has remained the preserve of the Chief Executive Officer	-.311	-.084	.218	.740	.137
Our products/services cannot be imitated by competitors	.160	.062	.793	.214	.133

| Our product/service designs are unique | .153 | .402 | .768 | -.082 | .015 |

From the Table 13, factor 1 was described by items that focused on systems, administrative structures, customer relationship management, upskilling the work force, market responsiveness to emerging customer needs and competitor moves, conduct of annual market surveys and service flexibility all aimed at enhancing customer experience. Factor 2 was defined by proactively tracking emerging customer needs, staying ahead of rivals in launching new products and continuous scanning of the market place. Factor 3 described product features in terms of unique designs and the level of imitation. Factor 4 focused on management structures, policies, procedures and processes and how it affects organizational effectiveness and decision making. Factor 5 defined items around speed of response to competitor moves in the market place, offer of flexible payment terms so as to not only retain but enhance market share.

The items were therefore reduced to few factors that defined market responsiveness, flexibility to cope with emerging market dynamics and product differentiation. According to Matsunaga (2010), the minimum pattern coefficient values should fall between 0.40 to 0.70. In effect, all items with pattern coefficients equal to or greater than the selected cut-off value of 0.4 are regarded as good items and should be retained in the survey. From the factor analysis, all the items for all the variables had pattern coefficients higher than the

cut-off of 0.4 thus confirming face validity. Additionally, there were cases of items cross loading in multiple factors. The high data validity indicated that the study tool measured the variables and their interactions that it was designed to evaluate. Additionally, validity guaranteed that the research results were pertinent, significant, and practical.

4.4 Response Rate

Numerous studies on academic research have been conducted with varying response rates. A comparative study on response rates in academic research by Baruch (1999) covering 200,000 research studies, found that 55.6% was the average response rate; with response rates on studies involving senior executives at 36.1%. Previous studies among insurance firms in Kenya by Ombaka (2014) achieved a response rate of 69.5% while that of Arasa (2008) returned a response rate of 72%. It has been cited that a response rate of 50% is adequate, 60% generally good and 70% good enough (Mugenda and Mugenda 2003). Nachmias and Nachmias (2004) determined that a response rate of 50% is satisfactory for survey researches, while Rousson, Gasser and Seifer (2012) proposed that a response rate of >50% is adequate in social research. Therefore, the response rate achieved of 88.9% in this study was regarded as being adequate for data analysis.

The high response rate was boosted by the strategy adopted of randomly identifying respondents (senior executives) using the firms' websites and informing them in advance about the study before emailing the questionnaires to them. The National Commission for Science, Technology, and Innovation (NACOSTI) license as well as the introductory letter for research from the university were shared in an effort to gain the respondents' trust. Calls and emails were used for follow-ups and constant reminders. With respect to

the six (6) questionnaires not returned; two (2) respondents (related parties) cited confidentiality clauses, especially on divulging information which they referred to as "proprietary information", one (1) opted not to respond despite promising to, while three (3) simply refused to participate without citing any reasons.

4.5 Organizational Demographics

The study took into consideration the demographic traits of people working in organizational contexts, including within teams, sub-units, and firms. Among the examined characteristics included; the tenure in the job and the level of education. Also examined were the specific characteristics of organizations within the industry such as organizational age, size, categories of business, the scope of operations, range of products and gross written premium.

4.5.1 Respondents Profiles

The study targeted responses from senior managers because they sit in a vintage position in the organization and are believed to be in possession of the data required and therefore better placed to provide credible, valid, complete and reliable data. Among the respondents were the Principal Officers (CEOs) and the Heads of departments or directorates. The respondent's duration of service in the firm which is associated with experience, as well as their level of education was investigated.

Longer tenure is typically linked to greater expertise and knowledge in one's field and that long-tenured employees are often committed to growing their existing skills as well as learning new ones. As such, employers are inclined to continue training them on new

skills thus allowing them to gain greater confidence. Further, employers value employees who show commitment, loyalty and devotion to the company. As such, when employers recognize this, they may feel more inclined to keep them longer in the organization. The distribution of respondents' length of service in the company is shown in Table 14.

Table 14: Experience in the Firm

Years of service	Frequency	Percentage
Below 3 years	11	23.4
3-6 years	17	36.2
7-9 years	6	12.8
10-12 years	4	8.5
Over 12 years	9	19.1
Total	47	100

Source: Field data 2021

Organizational tenure is a measure of a person's time spent working for a company (Liu, Ge & Wanying, 2016). Table 14 reveals that 23.4% of the respondents have been in their organizations for less than 3 years, with 36.2% having been with the company for between 3 and 6 years and 40.4% for over 6 years. This an indicator of high staff mobility among insurance firms. A study conducted by IRA in 2012 pointed to a prevalence of rigid and closed management structures among insurance firms causing a high staff mobility to other competing industries.

A study by Azinga, Kamaara and Ombui, (2018), found that job characteristics had a significant and positive impact on turnover of employees among Kenyan insurance companies. The study suggested that the insurance companies should analyze and review the job characteristics so as to provide a favorable ground and environment to enhance

employee retention. Karatepe & Karatepe (2010) contend that long-tenure of employees in organizations could be as a result of their prior exposure to a wide range of professional challenges and thus learned ways to resolve them. The study established that 27.6% of the respondents had been with their companies for over ten years.

It is presumed that individuals with a longer tenure may draw on particular insights from their prior organizational experiences with challenging work scenarios, increasing their capacity to handle the situations (Liu, Ge, & Peng, 2016). However, Twalib & K'Obonyo (2018) established that job tenure influenced career mobility negatively. Their finding was in tandem with that of Leung (2009) who found that college professors publish less often when they have worked for an academic institution for a long time compared to when they have not. The survey, also aimed to determine the respondents' highest degree of education; the results of which are shown in Table 15.

Table 15: Education Level

Level	Frequency	Percentage
Secondary	0	0
Bachelors	20	42.6
Masters	26	55.3
Doctorate	1	2.1
Total	47	100

Source: Field data 2021

The findings from Table 15 indicate that insurance firms considered organization learning as being very critical in driving their corporate level strategies. With high levels of education, embrace of a learning orientation culture to drive innovation becomes key. All the senior managers had at a least a bachelors' degree level of education; with 57.4%

of the respondents possessing a post-graduate degree. This implies that insurance firms align well with management practice which has established that well-educated employees are more goal oriented, dynamic, innovative, analytical, tend to understand complex problems easily and communicate ideas effectively thus enhancing client relationships. Research has established that the level of education is correlated with organizational commitment (Ariffin & Ha, 2015), innovation performance (Romero-Martinez et al., 2017) and creativity (Ng & Feldman, 2009). Further, most studies on sales management have found that education has a significant and positive effect on sales performance (Bolander, Asplund & Werr, 2014). Notably, firms with educated employees are well equipped to scan the firm's business environment, to develop novel products, and to restructure operations in response to emerging shocks.

4.5.2 Firm Characteristics

The firm characteristics considered the firm's age, the branch network, the size, categories of business, the Gross written premiums, the range of novel products introduced and the scope of operations. The age of the firm was analyzed on the basis of the period of time that the firms have been in existence. This is presented in Table 16

Table 16: Age of the Firm

Age (Years)	Frequency	Percentage
Less than 10	4	8.5
10-20	6	12.8
Over 20	37	78.7
Total	47	100

Source: Field data 2021

Table 16 indicates that 8.5% of the firms have been in existence for less than 10 years, 12.8% between 10-20 years and 78.7% for over 20 years. This implies that there are entry barriers into the sector; an indicator of a strict regulatory framework.

Literature indicates that older organizations are more likely to use newly acquired information to innovate products, processes and administrative systems, whereas younger companies must set up effective systems for quickly internalizing knowledge (Calantone et.al 2002). According to Higon (2011), the link between innovation and competitive advantage is significantly impacted by the age of the organization. Nybakk (2012) established that the age of the firm did not affect the association between LO and business innovativeness. Conversely, literature too indicate that as companies age, the advantages of their accumulated knowledge in all important areas of the business are canceled out by their inertia and rigidity. This study did corroborate empirical literature since the insurance companies demonstrated low levels of innovation. The research also sought to determine how many branches the firms operated. This is shown in Table 17

Table 17: Number of Branches

Branches	Frequency	Percentage
Less than 5	8	17.0
5 -10	17	36.2
Over 10	22	46.8
Total	47	100

Source: Field data (2021)

Table 17 shows that a majority of the firms still believe in brick and mortar operations; suggestive of a low embrace of technology, reliance on outdated systems and adoption of the conventional distribution models. There is also a long-held belief that customers want

personalized service, face-to-face advice and that businesses benefit from high levels of visibility as a result. However, with the emergence of COVID-19 and its attendant effects, these business as usual models were challenged. Firm size as determined by the employee complement was also tested. The findings are presented in Table 18.

Table 18: Size of the Firm (Number of employees)

Number of Employees	Frequency	Percentage (%)
Less than 50	2	4.2
50-99	13	27.7
100-149	13	27.7
150-199	3	6.4
Over 200	16	34.0
Total	47	100

Source: Field data (2021)

The results in Table 18 indicate that 40.4% of the companies have over 150 employees with only 4.2% employing less than 50 employees. From table 18, it can be deduced that 4.2% of the firms are small, 55.4% medium-sized and 40.4% being large. Therefore, most of the companies are medium to large and should easily fund market surveys to understand emerging customer needs and competitor moves and respond appropriately. The research further sought to determine the category of businesses that the firms are engaged in. This is presented in Table 19.

Table 19: Category of Business

Business	Frequency	Percentage

	Frequency	Percentage
Long Term	16	34.0
General	25	53.2
Composite	6	12.8
Total	47	100

Source: Field data (2021)

The findings in Table 19 indicate that 53.2% of the insurance companies engage in general insurance business only, 34% in long-term (life) business and 12.8% composite (both long term and general). Data from IRA indicate that general business significantly contributes to industry insurance premium accounting for 56.2% of the total premium with long-term business contributing 43.8% (IRA, 2020). The high concentration in general business is largely because most of the products offered are mandatory by nature.

The IRA industry report further indicates that six (6) insurers jointly control 43.0% of total gross premium income under general insurance business whereas in the long-term business, six (6) insurers control 69.9% of the market; demonstrating that a small number of large companies dominate the Kenyan long-term insurance market (IRA 2020). The classes of business under long term insurance include; pensions, life assurance, annuities, group life and investments among others (IRA, 2020). The research also sought to determine the Gross Written Premium by the firms. This is presented in Table 20.

Table 20: Gross Written Premium

Premium (Kshs.)	Frequency	Percentage

Less than 1 billion	7	14.9
1-2 billion	7	14.9
2-3 billion	5	10.6
3-4 billion	8	17.0
Over 4 billion	20	42.6
Total	47	100

Source: Field data (2021)

The findings in Table 20 show that 29.8% of the firms underwrote business-Gross Written Premium (GWP) of less than Kshs. 2 billion, 27.6% between Kshs. 2-4 billion with 42.6% underwriting business over Kshs. 4 billion. The study's conclusions highlight the relationship between underwritten premiums and firm size. Industry gross written premium stood at KES 276.06 billion in 2021 compared to 232.95 billion in 2020 representing an increase of 18.5% (IRA, 2021). The IRA report indicate that the premium reported by the long-term insurers in 2021 amounted to Ksh.123.71 billion against Kshs.102.12 billion in 2020, a growth of 21.1%. On the other hand, general insurance business underwrote premium of Kshs.152.35 billion in 2021 compared to Kshs.130.83 in 2020, a growth of 16.4%. Additionally, the study sought to determine the number of new products introduced to the market in the last 3 years so as to establish the extent of product development and innovation. The findings are shown in Table 21.

Table 21: Number of New products in the last 3 years

New products	Frequency	Percentage
1-5	39	83
6-10	6	12.8
Over 10	2	4.2
Total	47	100

Source: Field data (2021)

From the findings in Table 21, 83% of the firms have introduced less than 5 new products, 12.8% introducing between 6-10 new products with a paltry 4.2% or only 2 firms introducing over 10 new products in the last 3 years. This is an indicator that insurance companies offer more or less similar traditional products and compete on price and that product innovation is minimal. Therefore, they need to urgently invest in novel solutions since the one-size-fits-all product mantra no longer appeals hence the urgency to re-evaluate their operational systems and to begin formulating agile strategies to offer novel products (Deloitte, 2020). Table 22 presents the scope of operations of the firms.

Table 22: Scope of Operations

Scope of operations	Frequency	Percentage
Local (within Kenya)	24	51.1
Regional (East & Central Africa)	18	38.3
Global	5	10.6
Total	47	100

Source: Field data (2021)

From the Table 22, 51.1% of the firms operate locally within Kenya, 38.3% within the East and Central Africa Region and 10.6% globally. A deeper scrutiny of the findings, revealed that the firms that indicated global operations are subsidiaries of global insurance players. It is evident therefore, that more than 50% of the firms operate within Kenya only. The 38.3% of the firms that have expanded operations to the East and Central Africa Regions, were influenced by the regional institutional complexity. Their regional expansion strategy could have been informed by geographical proximity.

Literature indicate that other than geographic closeness informing regional expansion (Arregle et al., 2013; Chen & Tan, 2012), specific similarities of an economic, legal, political or institutional nature within the same region play a role. It is argued that these regions frequently have significant forces driving economic integration, allowing businesses there to take advantage of a highly connected market (Verbeke and Kano, 2012; Chen and Tan, 2012 & Rugman & Oh, 2010). Other factors of interest include considering the wider institutional environment of each host country (Driffield, Mickiewicz and Temouri, 2016; Demirbag, Glaister & Tatoglu, 2007).

4.6 Manifestation of Study Variables

There were four variables namely; learning orientation, firm innovation, senior executive team integration and competitive advantage. Using a five-point Likert scale, descriptive statistics for each of the research variables were measured. The study sought the respondents' level of concurrence or otherwise with the statements in the questionnaire with respect to learning orientation, firm innovation, senior executive team integration and CA of Kenya's insurance companies.

The mean, standard deviation and coefficient of variation of each statement in the questionnaires and the average mean for each variable were computed and presented. Standard deviation indicates the extent of variation of the responses; whether centered around the mean or dispersed widely. A standard deviation of less than one (1) meant that the respondents were unanimous on the rating while that above one (1) indicated difference in their perception of the issue indicating that the values are spread out over a wider range.

The coefficient of variation (CV) which is the ratio of the standard deviation to the mean, was considered for comparing the degree of variation. It indicates the degree of variability in relation to the population mean. This was thought to be helpful because, unlike the standard deviation of data, which must always be interpreted in relation to the data's mean, the CV's actual value is independent of the measurement's unit. Therefore, the greater dispersion around the mean is indicated by a higher coefficient of variation, whereas a lower value indicates a more accurate approximation. It is generally expressed as a percentage.

4.6.1 Manifestation of Learning Orientation

Learning orientation is a type of knowledge-based competency that is seen to be crucial for successful innovation and in defining an organization's success (Huang & Wang, 2013). It involves generating, storing, disseminating, and integrating knowledge among company employees. It was operationalized using values such as open-mindedness, commitment to learning and shared vision. These values empower employees to express their emotions, which strengthens business culture. The values motivate the employees to comprehend enduring beliefs and presumptions and to develop a feeling of shared purpose (Celuch, Kasouf & Peruvemba, 2002). Learning orientation is a thus a collection of cultural norms that represent an organization's propensity for producing new information and turning it into useful ideas (Pascalau, & Urziceanu,2022).

The respondents were asked to rate their perceptions of the elements that represented learning orientation; commitment to learning, shared vision, and open-mindedness. Learning orientation was measured using sixteen (16) items or indicators. Table 23 provides the mean, standard deviation, and coefficient of variation;

Table 23: Manifestation of indicators of Learning Orientation

Statement	Number	Mean	SD	CV (%)
There is general consensus among managers in our company that learning is key to achieving overall company goals	47	4.17	0.892	21.4
It is a common belief in our organization that learning leads to organizational improvement	47	4.26	0.793	18.6
Our company philosophy is to treat learning as key to our long-term survival	47	3.96	0.932	23.5
We believe that learning is vital to our competitiveness	47	4.02	0.872	21.7
Our organization provides enough opportunities for learning	47	3.70	1.061	28.7
Learning is viewed in our company as being critical to firm prosperity and growth	47	3.98	1.011	25.4
We have a unity of purpose and direction in our company	47	4.09	0.803	19.6
Our company vision is known and understood across all functions of the company	47	3.98	0.847	21.3
There is total commitment by all employees to meeting the objectives of the company	47	3.83	0.816	21.3
All staff are involved and engaged in strategy formulation and execution.	47	3.21	1.041	32.4
Staff are free to question the status-quo and are often encouraged to suggest new approaches of doing things	47	3.43	1.078	31.4
We acknowledge that we must repeatedly interrogate how we perceive the market place	47	4.13	0.711	17.2

Statement	Number	Mean	SD	CV (%)
We are encouraged to interrogate our beliefs and assumptions on the way we view our customers	47	3.87	0.969	25.0
We incessantly assess how decisions are made and how activities are conducted in our company	47	3.23	0.983	30.4
Staff are encouraged to "think outside the box"	47	3.83	1.070	27.9
As managers, we are open to diverse opinions	47	3.77	1.026	27.2
Average Mean Score		**3.84**		

Source: Field data 2021

The findings in Table 23 show that the 16 statements used to determine learning orientation had an overall mean score of 3.84. This indicates that insurance firms to a moderate extent embrace learning orientation. The statement with the highest mean score of 4.26 was the common belief among insurance firms that learning leads to organization improvement, followed by the general consensus among managers in the firms that learning was key to achieving overall company goals with a mean score of 4.17. This suggests that insurance companies acknowledge that the only lasting competitive advantage is the capacity to adapt more quickly than rivals (Comez & Kitapci, 2016). This, was followed by the statement that the firms must continuously interrogate how they perceive the market place at a mean score of 4.13. This finding aligns with the argument by Vij & Farooq (2015) that firms have to continuously scan the business environment to explore for and exploit new knowledge for use in innovatively designing new products that meet new markets and the emerging customer dynamics.

The statement with the least average score was that all staff were involved and engaged in strategy formulation and execution with a mean score of 3.21 implying that strategy

development is a preserve of senior executives. The same statement also had the greatest variability as indicated by the coefficient of variation of 32.4% and standard deviation of 1.041. This implies that there was no consensus among the firms about the involvement of all staff in strategy formulation and execution. This is because whereas strategy formulation is largely a preserve of senior executives in organizations, execution is done by the junior and middle management staff. Table 4.20 further reveals that the CV ranged between 17.2% and 32.4% indicating high variability in responses among the firms on the various statements describing learning orientation.

The statement with the least variability (CV= 17.2%) was on the acknowledgement by the firms of the need to repeatedly interrogate how they perceive the market place due to the dynamism of the business environment. It is notable from the results of the study that the higher the mean score of a statement, the lower the variability of responses and vice versa. The study further sought to establish how the indicators of learning orientation manifested among the insurance companies in Kenya. The indicators of learning orientation identified were; commitment to learning, shared vision and open-mindedness.

According to Nybakk (2012), the degree to which a firm values learning is referred to as its commitment to learning. It is about the importance of learning activities within an organization and how much this is taken for granted by the firm. Understanding the causes and implications of one's activities is important to organizations that value learning. As a result, a firm is more likely to value learning if it does so.

Table 24: Commitment to Learning

Statement	Number	Mean	SD	CV (%)

There is general consensus among managers in our company that learning is key to achieving overall company goals	47	4.17	0.892	21.4
It is a common belief in our organization that learning leads to organizational improvement	47	4.26	0.793	18.6
Our company philosophy is to treat learning as key to our long-term survival	47	3.96	0.932	23.5
We believe that learning is vital to our competitiveness	47	4.02	0.872	21.7
Our organization provides enough opportunities for learning	47	3.70	1.061	28.7
Learning is viewed in our company as being critical to firm prosperity and growth	47	3.98	1.011	25.4
Mean Score		**4.02**	**0.927**	**23.2**

Source: Field data 2021

The results in Table 24 show that the average score for the 6 items used to assess commitment to learning as a dimension of learning orientation was 4.02. This implies that insurance firms embrace the value of commitment to learning to a large extent. The statement with the highest mean score is the acknowledgement that learning leads to organizational improvement with an average score of 4.26 (large extent) with a standard deviation of 0.793 and a coefficient of variation of 18.6%; an indicator of low variability in the responses. This is followed closely by the statement that learning is key to achieving overall company goals with an average score of 4.17 (SD of 0.892 and CV of 21.4%). That learning is vital to firm competitiveness registered a mean score of 4.02 and a coefficient of variation of 21.7%.

The statement with the least average score under this dimension of learning orientation is that the insurance firms provide enough opportunities for learning which recorded a variability of responses of 28.7%. There was therefore a lack of consensus among the

firms on this statement implying that there are different levels of training opportunities offered by the firms. There is also acknowledgement by the firms that learning leads to firm prosperity and growth with a mean score of 3.98 and that learning is critical to long term survival with a mean score of 3.96; both to a moderate extent. Shared vision is the firm's interest in communicating its perspective on goals, objectives, policies, priorities, and expectations. It ensures that learning occurs in the same direction and to motivate that it really takes place. According to the literature, companies with a greater shared vision are more likely to achieve business excellence and success (Agha et.al. 2012). Firms utilize a shared vision to create innovative goods and services and to meet consumer and market demands (Ussahawanitchakit, 2008).

Table 25: Shared Vision

Statement	Number	Mean	SD	CV (%)
We have a unity of purpose and direction in our company	47	4.09	0.803	19.6
Our company vision is known and understood across all functions of the company	47	3.98	0.847	21.3
There is total commitment by all employees to meeting the objectives of the company	47	3.83	0.816	21.3
All staff are involved and engaged in strategy formulation and execution	47	3.21	1.041	32.4
Mean Score		**3.78**	**0.877**	**23.7**

Source: Field data 2021

From the Table 25, shared vision was measured using four items returning an average score of 3.78, an average SD of 0.877 and a CV of 23.7%. This implies that organization-wide focus on learning is embraced to a moderate extent by insurance companies in Kenya. Shared vision influences the direction of learning in organizations. The statement

with the greatest average score of 4.09 and coefficient of variation of 19.6%, is that the firms embrace a unity of purpose and direction to a large extent, followed by the statement that the company vision is known and understood across all functions of the company with an average score of 3.98 and a standard deviation of 0.847 and a coefficient of variation of 21.3%. The statement with the lowest mean score of 3.21 (moderate extent) is that all staff are involved in strategy formulation and execution. The statement too had the greatest coefficient of variation at 32.4%. This is explained by the fact that, although all staff may be involved in strategy execution, strategy formulation remains the preserve of senior managers in organizations. But the high variability in response is an indicator of a lack of consensus.

Some firms could be involving all staff in both formulation and execution of strategy. The willingness of an organization to continually challenge its ingrained presumptions, practices, and beliefs is referred to as open-mindedness. Businesses gain knowledge from their prior successes and mistakes, and this information is digested and ingrained in their mental models, which affect the way that the companies think and operate. It is imperative therefore that businesses must relearn and aggressively question their mental models. To ensure that ingrained routines and mental models do not start to constrain the company, the ability to unlearn long-held ideas and habits is, in fact, at the core of every organizational learning. The study further sought to determine the manifestation of the dimension of learning orientation-open-mindedness. The results are presented in Table 26.

Table 26: Open-mindedness

Statement	Number	Mean	SD	CV (%)
Staff are free to question the status-quo and are often encouraged to suggest new approaches of doing things	47	3.43	1.078	31.4
We acknowledge that we must repeatedly interrogate how we perceive the market place	47	4.13	0.711	17.2
We are encouraged to interrogate our beliefs and assumptions on the way we view our customers	47	3.87	0.969	25.0
We incessantly assess how decisions are made and how activities are conducted in our company	47	3.23	0.983	30.4
Staff are encouraged to "think outside the box"	47	3.83	1.070	27.9
As managers, we are open to diverse opinions	47	3.77	1.026	27.2
Mean Score		**3.71**	**0.973**	**26.5**

Source: Field data 2021

The results in Table 26 show that the average score for open-mindedness as a dimension of learning orientation was 3.71 (moderate extent) with a SD of 0.973 and CV of 26.5%. The statement with the highest average score of 4.13 (standard deviation=0.711 and coefficient of variation=17.2%) was that managers acknowledged that they must repeatedly interrogate how they perceived the market place. This is an indicator that the companies are aware that the conventional method of selling insurance products won't work as a marketing strategy for insurers in the future. Additionally, discerning customers want a customized experience that will enable them to manage their insurance policies on their own while also providing them with advice as and when it is required. Growth in business therefore may originate from new service-based models, innovative goods, and a stronger focus on risk mitigation (Deloitte, 2020).

The statement with the second highest average score of 3.87 (standard deviation=0.969 and coefficient of variation=25%) was that managers are encouraged to interrogate their beliefs and assumptions on the way they view customers. This is a realization that there is a greater need than ever for insurers to start rethinking their business models and to put their clients at the center since "outside" market competitors are infringing on the turf of underwriters. The statement with the lowest mean score of 3.23 (standard deviation =0.983 and coefficient of variation 30.4%) was that they continuously assessed how decisions are made and how activities are conducted. This could be an indicator that the insurance industry being regulated sector has a defined and structured way of conducting its activities. The high variability of responses though at 30.4% could indicate that some firms are embracing some level of flexibility in decision making.

The statement with the highest variability of responses; with coefficient of variation of 31.4% and standard deviation of 1.078 was that employees were free to question the status quo and often encouraged to suggest new approaches of doing things. The mean score was 3.43 (moderate extent). The respondents differed in their perception of the issue to a moderate extent. This implies, that while some firms are stuck to the traditional ways of conducting insurance business, others have taken a more liberal and flexible approach of embracing new approaches to doing things in response to the dynamic business environment. The study also sought to determine the manifestation of the dimensions of learning orientation. This is presented in Table 27.

Table 27: Manifestation of the Dimensions of Learning Orientation

Dimension	Number	Mean	SD	CV (%)
Commitment to learning	47	4.02	0.927	23.2

Statement		Number	Mean	SD	CV (%)
Shared Vision		47	3.78	0.877	23.7
Open-mindedness		47	3.71	0.973	26.5
Overall Mean Score			**3.84**		

Source: Field data 2021

It is notable in Table 27 that the overall average score for learning orientation is 3.84 (moderate extent). The dimension with the highest mean score is commitment to learning (4.02), followed by shared vision (3.78) and open-mindedness (3.71). The low average mean score for open-mindedness is an indicator that the firms are yet to create that environment that allows employees at all levels to feel free to challenge the status-quo and to suggest new approaches of doing things. It also implies that managers are yet to embrace the culture of being open to diverse opinions or allow employees to "think outside the box".

4.6.2 Manifestation of Firm Innovation

In the constantly shifting business environment, innovation becomes the only way for businesses to create and maintain their competitive advantage and to grow (Hsu et al. 2017). The increasing focus on innovation as a source of competitive advantage has compelled companies to differentiate their products and services offerings (Nybakk & Jenssen, 2012). Literature considers firm innovation as a key variable in enhancing organizational performance (Ussahawanitchakit, 2012). In the study, firm innovation was operationalized using product innovation, administrative innovation and process innovation.

Table 28: Manifestation of indicators of Firm Innovation

Statement	Number	Mean	SD	CV (%)

Statement	Number	Mean	SD	CV (%)
As an organization, we are always the first to market in offering new products	47	2.70	1.102	40.8
Our new products range has increased in the last 3 years	47	2.87	1.115	38.9
We align our strategies and procedures with emerging market demands and respond with new products faster	47	3.13	1.035	33.1
We make efforts to grow our product and service channels	47	3.66	0.815	22.3
Our customers perceive our new products as very novel	47	3.21	0.977	30.4
We continuously carry out market research to understand and meet customer requirements	47	3.17	1.028	32.4
Our leadership team strives to integrate our management structures with the customers' needs in mind	47	3.66	0.788	21.5
We copy novel business systems used by our competitors	47	2.64	1.131	42.8
We have a dedicated and sufficiently funded research and development department	47	2.04	0.955	46.8
Our company actively seeks new ideas	47	3.30	0.931	28.2
Our company does not perceive innovation as such a risky venture that it is always avoided	47	4.17	1.185	28.4
Our company does not penalize employees whose	47	4.79	0.549	11.5

Statement	Number	Mean	SD	CV (%)
new ideas fail				
We are always focused on continuous process reviews and improvements focused on product quality improvement	47	3.40	0.948	27.9
Our processes guarantee the provision of customized innovative products and services that meet our customers' emerging needs	47	3.21	0.954	29.7
We pursue innovative methods to do things	47	3.43	0.972	28.3
We are an early adopter of new service improvement processes.	47	3.15	1.000	31.7
We employ the latest technology in the industry	47	3.28	0.971	29.6
Average Mean Score		**3.28**		

Source: Field data 2021

The results in Table 28 show that the overall average score for the 17 items used to assess firm innovation was 3.28. This indicates that insurance companies to a moderate extent embrace firm innovation. The mean scores for the firm innovation indicators ranged between 2.04 and 4.79. The statement with the highest mean score of 4.79 (standard deviation-0.549 and a coefficient of variation of 11.5%) was that the firms did not penalize employees whose new ideas fail; an indication of the embrace of risk taking; followed by the assertion that the firms do not perceive innovation as such a risky venture as to be always avoided with a mean score of 4.17, SD of 1.185 and CV of 28.4%. The statement with the least average score was that the firms have a dedicated and sufficiently funded research and development department with a mean score of 2.04 (small extent)

and a coefficient of variation of 46.8% and thus was also a statement with the highest variability of responses implying a lack of consensus among the respondents.

The statement with the second lowest mean score of 2.64 is that the companies copy novel business systems used by competitors to a small extent; with a variability in response of 42.8%. This confirms the position that underwriters have long relied on outdated systems and conventional distribution models to keep their share in the market. Table 4.25, further reveals that the CV ranged between 11.5% and 46.8% indicating high variability in responses among the firms. The statement with the least variability (CV= 11.5%) was that the firms did not penalize employees whose new ideas failed. The results also indicated that the higher the mean score of a statement, the lower the variability of responses. The study further sought to determine how the indicators of firm innovation manifested among the insurance firms in Kenya. The indicators of firm innovation identified were; product, process and administrative innovation.

Table 29: Product Innovation

Statement	Number	Mean	SD	CV (%)
As an organization, we are always the first to market in offering new products	47	2.70	1.102	40.8
Our new products range has increased in the last 3 years	47	2.87	1.115	38.9
We align our strategies and procedures with emerging market demands and respond with new products faster	47	3.13	1.035	33.1
We make efforts to grow our product and service channels	47	3.66	0.815	22.3

Our customers perceive our new products as very novel	47	3.21	0.977	30.4
Average Score		**3.11**	**1.009**	**33.1**

Source: Field data 2021

Table 29 indicates that the mean score for the indicators of product innovation is 3.11 with an average standard deviation of 1.009 and a coefficient of variation of 33.1%. This implies that the firms embraced product innovation to a moderate extent but at the lower level of the scale. The mean scores ranged between 2.70 and 3.66. The statement with the highest mean score of 3.66 was that the companies made efforts to grow their product and service channels with a standard deviation of 0.815 and a coefficient of variation of 22.3%. This was followed by the statement among the companies that their customers perceived their new products as being novel with a mean of 3.21, standard deviation of 0.977 and coefficient of variation of 30.4%. The statement with the lowest mean score of 2.70 was that as organizations, they were always first to market in offering new products. The statement recorded a standard deviation of 1.102 and coefficient of variation of 40.8%. This implies that there was a lack of consensus among the firms that they were always first to make in offering new products. Some are, while others are not, and hence the high variability. The statement with the second lowest average score of 2.87 was that the firm's new product range had increased in the last three (3) years. The statement registered a coefficient of variation of 38.9% which is an indicator of high variability. This corroborates the research finding that 83% of the firms had introduced less than five (5) new products in the last three (3) years; an indicator of low levels of product innovation. The statement that firms align their strategies and procedures with emerging

market demands and respond with new products faster recorded a mean score of 3.13 (moderate extent) with a coefficient of variation of 33.1%. That is a high variability of response among the firms on market responsiveness.

Table 30: Administrative Innovation

Statement	Number	Mean	SD	CV (%)
We continuously carry out market research to understand and meet customer requirements	47	3.17	1.028	32.4
As a leadership team, we strive to align our management structures with the customers' needs in mind	47	3.66	0.788	21.5
We copy novel business systems used by our competitors	47	2.64	1.131	42.8
We have a dedicated and sufficiently funded research and development department	47	2.04	0.955	46.8
Our company actively seeks new ideas	47	3.30	0.931	28.2
Our company does not perceive innovation as such a risky venture that it is always avoided	47	4.17	1.185	28.4
Our company does not penalize employees whose new ideas fail	47	4.79	0.549	11.5
Average Score		**3.40**	**0.938**	**30.2**

Source: Field data 2021

The results in Table 30 indicate that administrative innovation had a mean score of 3.40; an indicator that the companies embraced administrative innovation to a moderate extent and with an average coefficient of variation of 30.2%. The statements' mean scores ranged between 2.04 and 4.79. The statement with the highest mean score of 4.79 (to a large extent) and a coefficient of variation of 11.5% was that the companies did not penalize employees whose new ideas failed.

The low coefficient of variation of 11.5% indicates that the firms had consensus that embracing new ideas was a noble thing and one should not be penalized for any new

ideas that fail. This is a positive embrace of risk-taking. The statement with the least average score of 2.04 was that the firms had a dedicated and sufficiently funded research and development department. This is an indicator the companies are yet to put in place structures and or set aside resources to fund research and development. The statement too had the highest variability of 46.8% implying that the respondents' perception on the item manifesting in their firms was varied.

Table 31: Process Innovation

Statement	Number	Mean	SD	CV (%)
We are always focused on continuous process reviews and improvements focused on product quality improvement	47	3.40	0.948	27.9
Our processes guarantee the provision of customized innovative products and services that meet our customers' emerging needs	47	3.21	0.954	29.7
We pursue innovative methods to do things	47	3.43	0.972	28.3
We are an early adopter of new service improvement processes.	47	3.15	1.000	31.7
We employ the latest technology in the industry	47	3.28	0.971	29.6
Average Score		**3.29**	**0.969**	**29.4**

Source: Field data 2021

The results in Table 31 indicate that the indicators of process innovation had a mean score of 3.29 (moderate extent). The dimension had an average standard deviation of 0.969 and a coefficient of variation of 29.4%. The mean scores of the statements ranged between 3.21 and 3.43. The statement with the highest mean score of 3.43 (moderate extent) and a coefficient of variation of 28.3% was that the firms pursued innovative methods to do things. The statement with the second highest mean score of 3.40 was that the firms always focused on continuous process reviews and improvements aimed at product quality improvement.

The statement with the lowest mean score of 3.15 and the highest coefficient of variation of 31.7% had asked respondents to indicate whether they were early adopters of new service improvement processes. The high coefficient of variation is an indicator that the companies lacked consensus on the statement. The statement that the firms' processes guaranteed the provision of customized innovative products and services that meet the emerging customer needs registered the second lowest mean score of 3.21. This is an indicator that most of the firms are still providing the traditional products across the depth and breadth of the customer demographics.

Table 32: Manifestation of the dimensions of Firm Innovation

Dimension	Number	Mean	SD	CV (%)
Product innovation	47	3.11	1.009	33.1
Administrative innovation	47	3.40	0.938	30.2
Process innovation	47	3.29	0.969	29.4
Overall Mean Score		**3.28**		

Source: Field data 2021

Table 32 indicates that the overall mean score for firm innovation is 3.28 (moderate extent). The dimension with the highest mean score is administrative innovation (3.40), followed by process innovation (3.29) and lastly product innovation (3.11). This is an indicator of the offer of related traditional products by the firms due to low embrace of innovation. Product innovation has the highest standard deviation of 1.009 and a coefficient of variation of 33.1% indicating the high variability among the respondents on the manifestation of product innovation in their organizations. Process innovation had the lowest coefficient of variation of 29.4%.

4.6.3 Manifestation of Senior Executives' Team Integration

Few studies have examined how group dynamics affect organizational outcomes in the senior management team. This study looked at how senior executives' team integration contributed to understanding the link between learning orientation and competitive advantage. According to Smith and Tushman, (2005), behaviorally integrated senior executives have the capacity to explore possibilities of addressing conflicting strategies that affect the process of innovation of existing products to meet emerging customer needs. These management teams demonstrate behaviors that encourage open communication, involvement in activities and processes rather than differences in opinions, productive critiquing (Tushman & Nadler, 1978), and help executives gain a solid understanding of either their own or others' perspectives (Eisenhardt, 1999). SE executive team integration was operationalized using the indicators of collaborative interaction, information exchange and consultative decision making.

Table 33: Manifestation of indicators of Senior Executives' Team Integration

Statement	Number	Mean	SD	CV (%)
As senior managers, we analyze unsuccessful innovative ideas and share the lessons learnt across the organization	47	3.23	0.960	29.7
We have devised a mechanism for sharing information on organizational activities across teams	47	3.83	0.892	23.3
We repeatedly emphasize the value of sharing	47	3.87	0.824	21.3

Statement	Number	Mean	SD	CV (%)
knowledge widely in our organization				
We emphasize the importance of sharing lessons and experiences learnt from history	47	3.64	0.845	23.2
We have a comprehensive induction program for new team members who join the company	47	4.09	0.974	23.8
We have a mechanism in place for acquiring and sharing new information about our industry	47	3.47	0.929	26.8
As senior executives' in our company, we keep alive conversations on past experiences and share lessons learnt	47	3.64	0.870	23.9
We seek not to control but inspire and encourage our employees to work as a team	47	3.96	0.779	19.7
Our employees feel free to share their opinions and perspectives on any issue whilst observing mutual genuine respect for each other	47	3.68	0.810	22.0
Our employees feel safe sharing their opinions, skills and knowledge without fear of victimization.	47	3.62	0.795	22.0
As senior executives, silo-mentality is not the norm	47	3.94	1.071	27.2
We are comfortable sharing our knowledge and experiences to make work easier for each other.	47	3.85	0.807	21.0
We are willing to support team members to complete their jobs as planned and to meet deadlines.	47	3.91	0.830	21.2
	47	3.70	0.883	23.9
We usually let other team members know when				

Statement	Number	Mean	SD	CV (%)
our actions and decisions affect them				
We usually engage other team members to understand their needs and challenges	47	3.79	0.954	25.2
We usually discuss our expectations of each other as senior managers	47	3.91	0.775	19.8
We usually consult each other before taking key decisions that have organization-wide implications	47	3.89	0.787	20.2
We are usually involved in the strategy formulation and execution activities in our firm	47	4.26	0.846	19.9
There are certain key decisions affecting our departments that are the preserve of the CEO and the Board	47	3.55	1.316	37.1
Average Mean Score		**3.78**		

Source: Field data 2021

The results in Table 33 reveal an average mean score of **3.78** which implies that the surveyed insurance companies embraced team integration at senior executive level to a moderate extent. The involvement of senior executives in the strategy formulation and execution activities registered the highest average score of (4.26- to a large extent); a confirmation of the critical role senior managers, play in the strategic direction of the firms. The results further indicated that the firms had a robust induction programme for new team members who join the organization (mean = 4.09- to a large extent) indicating

the value that the firms attach to induction programmes. Induction enables new members to learn and understand the firms' systems, processes and procedures.

Analyzing unsuccessful innovative ideas and sharing lessons learnt across the organization ranked lowest (mean= 3.23, standard deviation=0.960 and CV= 29.7%) followed by the statement- having a mechanism in place for acquiring and sharing new information about the industry (mean= 3.47, standard deviation= 0.929 and CV=26.8%). This implies that sharing of information amongst senior managers in most of the insurance companies is done to a moderate extent. The coefficient of variation ranged between 19.7% and 37.1%. The statement with the least variability was the culture of inspiring and encouraging staff to work as a team whereas the statement that certain key decisions affecting departments was the preserve of the CEO and board with an average score of 3.55, had the greatest variability of response at 37.1%. The respondents across the firms therefore lacked consensus on the statement. This variability can be elucidated by the varied sizes of the firms within the insurance industry hence varied spans of control. The study further sought to determine how the indicators of SE team integration manifested among the insurance firms in Kenya. The indicators are collaborative interaction, information exchange and consultative decision making.

Table 34: Collaborative interaction

Statement	Number	Mean	SD	CV (%)
As senior managers, we analyze unsuccessful innovative ideas and share the lessons learnt across the organization	47	3.23	0.960	29.7
We have devised a mechanism for sharing information on organizational activities across	47	3.83	0.892	23.3
teams	47	3.87	0.824	21.3
We repeatedly emphasize the value of sharing				

Statement	Number	Mean	SD	CV (%)
knowledge widely in our organization	47	3.64	0.845	23.2
We emphasize the importance of sharing lessons and experiences learnt from history	47	4.09	0.974	23.8
We have a comprehensive induction program for new team members who join the company				
Mean Score		**3.73**	**0.899**	**24.3**

Source: Field data 2021

The results in Table 34 shows the average score for collaborative interaction of **3.73** (standard deviation-0.899 and coefficient of variation of 24.3%) which implies that the surveyed insurance firms embraced collaborative interaction to a moderate extent. The statement with the greatest average score of 4.09 was that the firms to a large extent indicated that they had a comprehensive induction programme for new team members who join the organizations. This indicates the value the insurance firms attach to smooth on-boarding and integration of new team members to the organization. The mean scores for the measures ranged between 3.23 and 4.09. The statement assessing whether senior managers within the insurance firms analyzed unsuccessful innovative ideas and share the lessons learnt across the organization had the lowest mean score of 3.23.

Table 35: Information Exchange

Statement	Number	Mean	SD	CV (%)
We have a mechanism in place for acquiring and sharing new information about our industry	47	3.47	0.929	26.8
As senior executives' in our company, we keep	47	3.64	0.870	23.9

alive conversations on past experiences and share lessons learnt				
We seek not to control but inspire and encourage our employees to work as a team	47	3.96	0.779	19.7
Our employees feel free to share their opinions and perspectives on any issue whilst observing mutual genuine respect for each other	47	3.68	0.810	22.0
Our employees feel safe sharing their opinions, skills and knowledge without fear of victimization.	47	3.62	0.795	22.0
As senior executives, silo-mentality is not the norm	47	3.94	1.071	27.2
We are comfortable sharing our knowledge and experiences to make work easier for each other.	47	3.85	0.807	21.0
Mean Score		**3.74**	**0.866**	**23.2**

Source: Field data 2021

The findings in Table 35 show that the mean score for the seven statements that gauged information sharing was 3.74 (with a SD of 0.866 and a CV of 23.2%). The mean scores fell between 3.47 and 3.96. The highest average score of 3.96 was on the statement that the organizations sought not to control but to inspire and encourage their workers to operate as a team. The lowest average score of 3.47 was on the statement that the firms had a mechanism in place of acquiring and sharing new information about the industry. The statement too had the highest CV of 26.8% implying that the respondents differed in

their perception of the statement. Insurance firms therefore need to devise mechanisms of sharing knowledge across to their teams.

Table 36: Consultative Decision Making

Statement	Number	Mean	SD	CV (%)
We are willing to support team members to complete their jobs as planned and to meet deadlines.	47	3.91	0.830	21.2
We usually let other team members know when our actions and decisions affect them	47	3.70	0.883	23.9
We usually engage other team members to understand their needs and challenges	47	3.79	0.954	25.2
We usually discuss our expectations of each other as senior managers	47	3.91	0.775	19.8
We usually consult each other before taking key decisions that have organization-wide implications	47	3.89	0.787	20.2
We are usually involved in the strategy formulation and execution activities in our firm	47	4.26	0.846	19.9
There are certain key decisions affecting our departments that are the preserve of the CEO and the Board	47	3.55	1.316	37.1
Mean Score		**3.86**	**0.913**	**23.9**

Source: Field data 2021

The findings in Table 36 show that the average score for the seven (7) items used to assess consultative decision making was 3.86 (SD-0.913 and CV of 23.9%). The average scores ranged between 3.55 and 4.26. The statement with the highest mean score of 4.26 (high extent) was that management was usually involved in the strategy formulation and execution activities in their organization. This is in line with best practice where strategy formulation and oversight on execution is the work of senior management. There were

two (2) statements with a mean score of 3.91 (second highest); that the managers are willing to support team members to complete their jobs as planned and to meet deadlines as well as usually discussing the expectations of each; an indicator of a consultative culture within the organizations. The statements though having same mean scores differed in the coefficient of variation.

Table 37: Manifestation of the dimensions of SE Team Integration

Dimension	Number	Mean	SD	CV (%)
Collaborative interaction	47	3.73	0.899	24.3
Information exchange	47	3.74	0.866	23.2
Consultative decision making	47	3.86	0.913	23.9
Overall Mean Score		**3.78**		

Source: Field data 2021

Table 37 shows that the overall average score for SE team integration was 3.78 (moderate extent). The dimension with the highest mean score is consultative decision making (3.86), followed by information exchange (3.74) and collaborative interaction (3.73). Consultative decision making though recording the highest mean score also recorded the highest variability, with a SD of 0.913 and a coefficient of variation of 23.9%. Information exchange had the lowest standard deviation (0.866) and coefficient of variation (23.2%).

4.6.4 Manifestation of Competitive Advantage

Competitive advantage is the position that a firm assumes relative to rivals and that which creates hurdles that make imitation difficult (Porter, 1985). According to Almarri and Gardiner (2014), a firm achieves and sustains competitiveness when it is able to out-compete its rivals in value creation. Çalışkan (2010) asserts that in order to keep their

innovation in the face of constantly shifting market conditions and to maintain their competitive advantage, businesses must improve performance. Competitive advantage was operationalized using the dimensions of market responsiveness, firm flexibility and differentiated products. Table 38 presents the descriptive statistics for competitive advantage.

Table 38: Manifestation of indicators of Competitive Advantage

Statement	Number	Mean	SD	CV (%)
Our response to competitor moves in the market place is impressive	47	3.17	0.761	24.0
We have an excellent response speed in handling customer complaints	47	3.77	0.786	20.8
Our ability to proactively track emerging customer needs and expectations is unmatched in the industry	47	2.94	0.870	29.6
Our speed of gathering market information for use in designing marketing strategies is excellent	47	2.77	0.865	31.2
We have an elaborate system of sharing information internally about competitors	47	3.02	1.032	34.2
We have always been a step ahead of our rivals in launching new products over the last 5 years	47	2.49	1.081	43.4
Our organization annually conducts market surveys	47	3.23	1.289	39.9
Our ability to react quickly to developments in the marketplace is unrivalled	47	2.53	0.952	37.6
We are known for a service flexibility which gives us an edge over our rivals.	47	3.70	1.020	27.6
It is common knowledge for senior management in our organization to grant employees the space and complete leeway including flexi-hours to do their work	47	3.36	1.169	34.8
Over time, we have been known to offer our customers better and flexible premium payment terms than our competitors.	47	3.53	1.039	29.4
Our systems and structures are always designed,	47	3.40	0.825	24.2

Statement	Number	Mean	SD	CV (%)
developed and updated with the customers' emerging needs in mind				
Management and employees' relationships always focus largely on efficiency and effectiveness in meeting customer needs	47	3.79	0.806	21.2
Our company continuously works on developing and improving employee skills to meet market requirements.	47	3.60	0.901	25.0
Seeking to know the market characteristics to help in the formulation of appropriate marketing strategies is our norm.	47	3.36	0.987	29.4
Our customer relationship management systems are regularly upgraded to meet emerging customer needs	47	3.43	1.078	31.4
Our policies, processes and procedures have always been a significant drag on our operational effectiveness and decision making.	47	3.23	1.036	32.1
Our company assures continuous support in our effort to meet emerging needs of our customers.	47	3.57	0.853	23.9
There are many levels involved in decision making in our organization.	47	3.02	1.101	36.5
Decision-making in our organization has always remained the preserve of the Chief Executive Officer	47	4.02	1.158	28.8
Our products/services cannot be imitated by competitors	47	2.00	0.933	46.6
Our product/service designs are unique	47	2.55	1.230	48.2
Overall Mean Score		**3.20**		

Source: Field data 2021

The findings in Table 38 indicates that the average score for the 22 items used to assess competitive advantage is 3.20 (moderate extent). The means ranged between 2.00 and 4.02. The statement with the greatest average score of 4.02 (standard deviation=1.158 and CV= 28.8%) was that decision-taking among the companies was not the preserve of the CEO. This implies that the firms accord some leeway to senior managers to make certain

decisions affecting their departments. The statement with the second highest average score of 3.79 was that all levels of staff within the firms focus largely on efficiency and effectiveness in meeting customer needs. This implies that the firms view customers as being at the core of their operations and hence design strategies that meet their emerging needs.

The statement with the least average score of 2.00 (small extent) was the statement that the firms' products cannot be imitated by competitors. This is an acknowledgement that the firms offer traditional products that are more or less same and compete on price. This is corroborated by the findings that established that 83% of the firms surveyed had introduced less than five (5) products within a period of three (3) years. Other statements that recorded low mean scores included; the statement that the firms have always been a step ahead of their rivals in launching new products over the last 5 years with a mean score of 2.49, the statement that the firms' ability to react quickly to developments in the marketplace was unrivalled (2.53) and the statement that the firm's product/service designs are unique which recorded an average score of 2.55 (standard deviation=1.230, CV=48.2%). This confirms that insurance firms in Kenya offer traditional products supported by legacy systems and a thus a low embrace of innovation. The research also sought to determine the manifestation of the competitive advantage dimensions/indicators (market responsiveness, firm flexibility and differentiated products) and the descriptive statistics and the results are shown in Tables 39, 40 and 41 respectively.

Table 39: Manifestation of Market Responsiveness

Statement	Number	Mean	SD	CV (%)
Our response to competitor moves in the market place is impressive	47	3.17	0.761	24.0
We have an excellent response speed in handling customer complaints	47	3.77	0.786	20.8
Our ability to proactively track emerging customer	47	2.94	0.870	29.6

needs and expectations is unmatched in the industry				
Our speed of gathering market information for use in designing marketing strategies is excellent	47	2.77	0.865	31.2
We have an elaborate system of sharing information internally about competitors	47	3.02	1.032	34.2
We have always been a step ahead of our rivals in launching new products over the last 5 years	47	2.49	1.081	43.4
Our organization annually conducts market surveys	47	3.23	1.289	39.9
Our ability to react quickly to developments in the marketplace is unrivalled	47	2.53	0.952	37.6
Mean Score		**2.99**	**0.955**	**32.6**

Source: Field data 2021

The findings in Table 39 demonstrate that the average score for the eight (8) statements used to assess market responsiveness was 2.99 (SD=0.955, CV=32.6%). This implies that insurance firms respond to the market dynamics to a small extent. The means for the statements ranges between 2.49 (small extent) and 3.77 (moderate extent). The statement with the greatest average score of 3.77 (SD=0.786, CV=20.8%) was that the firms had an excellent response speed in handling customer complaints. This was also a statement with the lowest variability among the respondents. This was followed by the statement that the firms conducted annual market surveys with an average score of 3.23 (SD=1.289, CV=39.9%). The statement with the least average score of 2.49 (SD=1.081) was that the firms have always been a step ahead of rivals in launching new products.

This statement had the highest coefficient of variation of 43.4% indicating that the respondents' perception on the measure varied. The mean score of 2.99 (small extent) implies that the insurance firms have to be alive to the emerging customer and environmental dynamics and respond appropriately. As a result, insurers will need to reconsider their business strategies, restructure their employees, and come up with quick

ways to launch new products (Deloitte, 2020). In order to address these demands instead of using the conventional product-push strategy that has registered a success in the past, they must be aware that consumers are seeking for risk management options that are handy for them.

Table 40: Manifestation of Firm Flexibility

Statement	Number	Mean	SD	CV (%)
We are known for a service flexibility which gives us an edge over our rivals.	47	3.70	1.020	27.6
It is common knowledge for senior management in our organization to grant employees the space and complete leeway including flexi-hours to do their work	47	3.36	1.169	34.8
Over time, we have been known to offer our customers better and flexible premium payment terms than our competitors.	47	3.53	1.039	29.4
Our systems and structures are always designed, developed and updated with the customers' emerging needs in mind	47	3.40	0.825	24.2
Management and employees' relationships always focus largely on efficiency and effectiveness in meeting customer needs	47	3.79	0.806	21.2
Our company continuously works on developing and improving employee skills to meet market requirements.	47	3.60	0.901	25.0
Seeking to know the market characteristics to help in the formulation of appropriate marketing strategies is our norm.	47	3.36	0.987	29.4
Our customer relationship management systems are regularly upgraded to meet emerging customer needs	47	3.43	1.078	31.4

Statement	Number	Mean	SD	CV (%)
Our policies, processes and procedures have always been a significant drag on our operational effectiveness and decision making.	47	2.77	1.047	37.8
Our company assures continuous support in our effort to meet emerging needs of our customers.	47	3.57	0.853	23.9
There are many levels involved in decision making in our organization.	47	2.98	1.113	37.3
Decision-making in our organization has remained the preserve of the Chief Executive Officer	47	4.02	1.158	28.8
Mean Score		**3.46**	**1.000**	**28.9**

Source: Field data 2021

The results in Table 40 show that the average score for the twelve (12) statements used to assess firm flexibility was 3.46 (SD=1.000, CV=28.9%). This implies that insurance firms, embrace firm flexibility to a moderate extent. The means for the statements ranged between 2.77 (small extent) to 4.02 (large extent). The statement with the highest average score of 4.02 (SD=1.000, CV=28.9%) was that decision making in the firms was not the preserve of the CEO. This implies that senior management is given some level of discretion to make some decisions affecting their departments. The statement with the least average score of 2.77 (SD=1.047, CV=37.8%) was that the organizations' policies, processes and procedures have always been a significant drag on the operational effectiveness and decision making of the firms. The firms had a variability of 37.8%, implying a lack of consensus. The study further looked at the manifestation of the dimension of differentiated products and the findings are shown in Table 41.

Table 41: Manifestation of Differentiated Products

Statement	Number	Mean	SD	CV (%)
Our products/services cannot be imitated by competitors	47	2.00	0.933	46.6

Our product/service designs are unique	47	2.55	1.230	48.2
		2.28	**1.082**	**47.4**

Source: Field data 2021

This dimension was measured using only two statements which returned an average score of 2.28 (SD=1.082, CV=47.4%). The statement that the firms' products cannot be imitated recorded the lowest mean score of 2.00 (small extent) whereas the statement that the firms' product designs are unique equally registered a low mean score of 2.55. Both statements registered the highest coefficients of variation suggesting that perceptions of the respondents on the measures varied. The results indicate that the products in the market are more or less homogenous with perhaps very limited differentiation. Insurance firms compete on price and not on products. Differentiated products should have features that make the product(s) stand out from the competition and which should have a staying power and not easily duplicated by others. The differentiated product image should encourage brand loyalty and give a company a competitive edge over its rivals.

It is frequently argued that competitive advantage can be determined by differentiation strategies that focus on customers and competitors (Ramaswami, Bhargava & Srivastava 2004). Martinette (2006) views product differentiation, market sensing, and being responsive to customers and rivals as sources of controllable market intelligence.

Table 42: Manifestation of the Dimensions of Competitive Advantage

Dimension	Number	Mean	SD	CV (%)
Market responsiveness	47	2.99	0.955	32.6
Firm Flexibility	47	3.46	1.000	28.9

Differentiated Products	47	2.28	1.082	47.4
Overall Mean Score		**2.91**	**1.012**	**36.3**

Source: Field data 2021

From Table 42, firm flexibility was the dimension with the highest mean score of 3.46 (moderate extent) whereas market responsiveness and product differentiation recorded mean scores of 2.99 and 2.28 respectively. This implies that even as insurance firms attempt to re-engineer their structures, processes and procedures, their response to the emerging needs of the consumers and the dynamics of the business environment is low. They must seize the opportunity and redesign their product proposition such that it appeals to consumers. They must therefore develop highly customized policies that are tailored to the requirements of each category of consumers.

4.7 Tests for Assumptions of Regression Analysis

To successfully use regression analysis and produce reliable findings, a number of assumptions must be met. They include the assumptions of homoscedasticity, linearity, normality, and multicollinearity. When these requirements are not met, the outcomes are unreliable, which can result in type I or type II errors (Osborne, 2002). In order to run diagnostic tests for linearity, normality, multicollinearity, and homoscedasticity, the study set out to do so. These are presented in sections 4.7.1 to 4.7.4

4.7.1 Test of Linearity

When the relationship is linear, regression models may reliably predict the association between the predictive factors and the dependent variable. By charting data for each

variable on (P-P) plots, the study evaluated linearity. P-P plots are used to assess if a variable's distribution corresponds to a specific cumulative frequency. The points cluster around a straight line when a chosen variable fits the test distribution. The results obtained are presented in Figures 6 to 9.
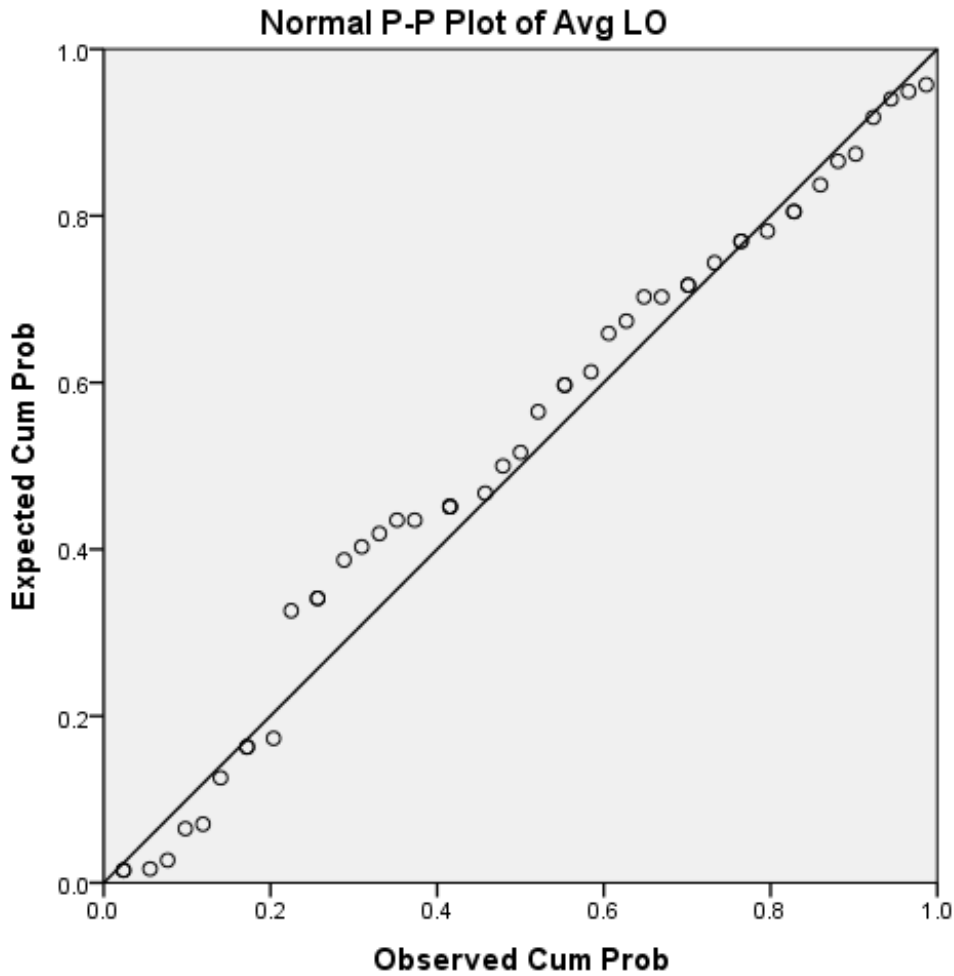
Figure 6: Normal P-P Plot for Learning Orientation
Source: Field data 2021
Figure 6 presents P-P plots for learning orientation. A visual examination reveals a line of best fit with a linear distribution of data points. This implies learning orientation was linear and hence suited for running regression.
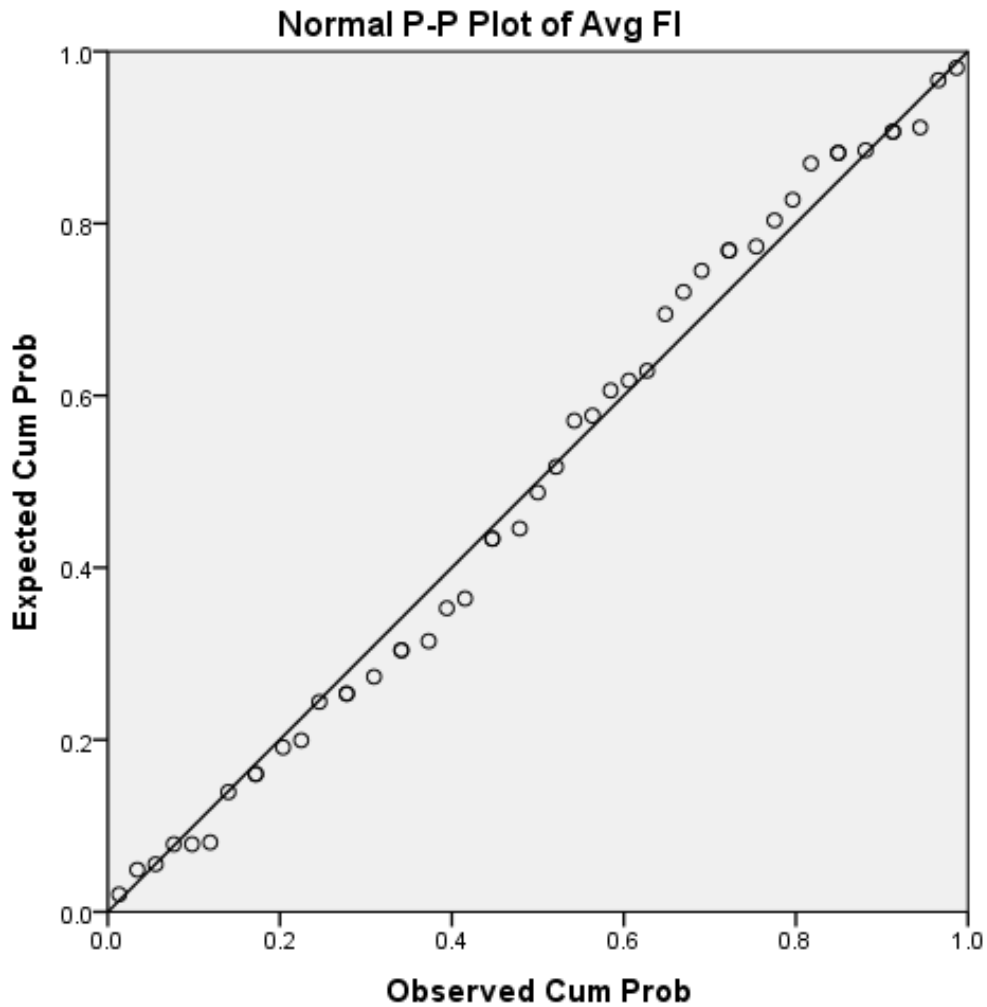
Figure 7: Normal P-P Plot for Firm Innovation

Source: Field data 2021

Figure 7 shows P-P plots for firm innovation. A visual examination reveals a line of greatest fit with a linear distribution of data points. This suggests that firm innovation was linear and thus suited for running regression analysis.
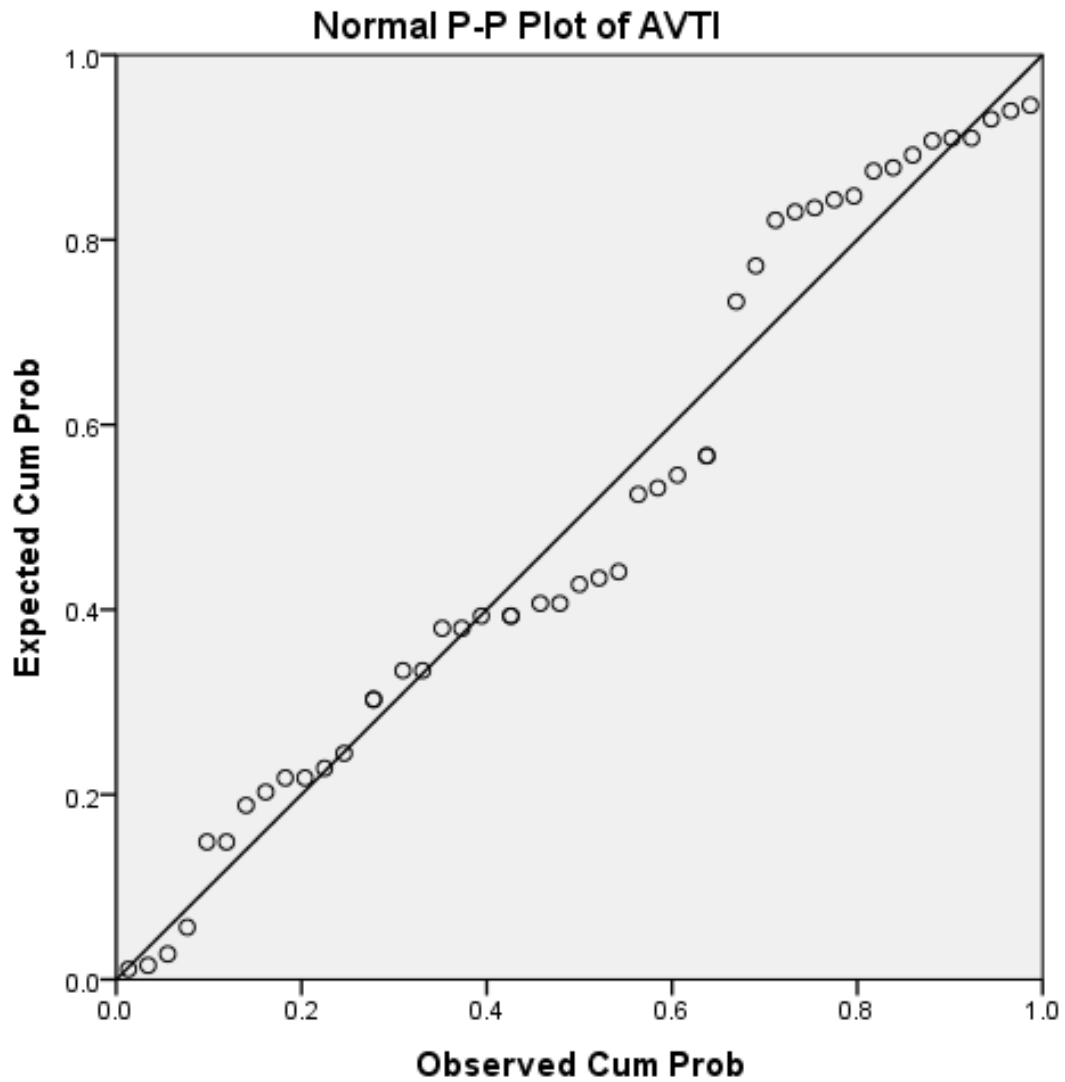
Figure 8: Normal P-P Plot for SE Team Integration

Source: Field data 2021

Figure 8 presents P-P plots for SE team integration. A visual inspection shows linear distribution of data points along a line of best fit. This implies SE team integration was linear and hence suitable for running regression.
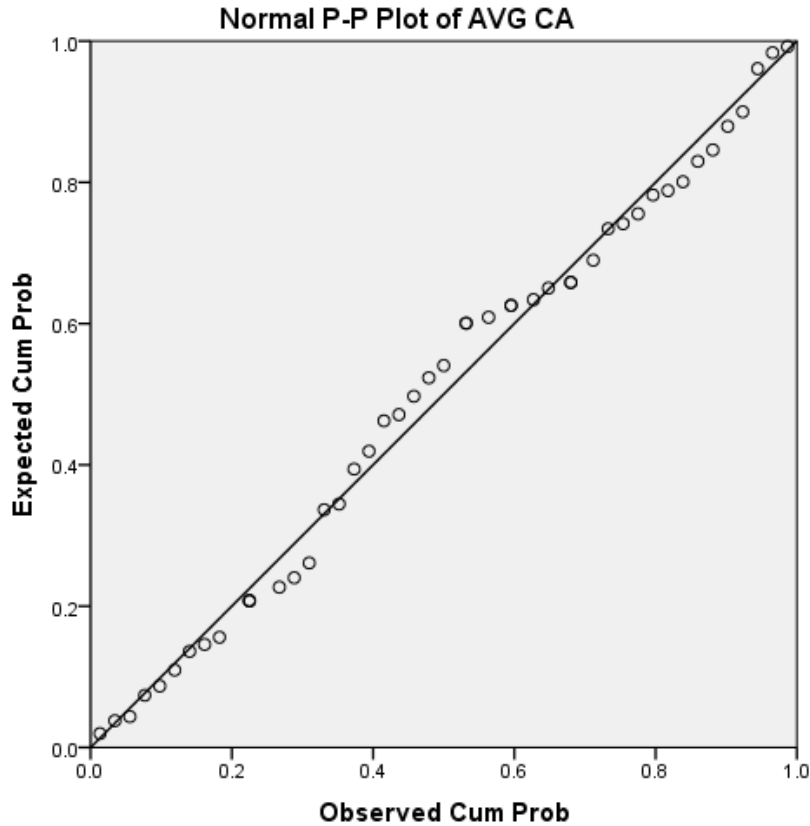
Figure 9: Normal P-P Plot for Competitive Advantage
Source: Field data 2021

Figure 9 presents P-P plots for competitive advantage. A visual inspection shows linear distribution of data points along a line of best fit. This implies competitive advantage was linear and hence suitable for running regression.

4.7.2 Test of Normality

This involves determining if the data pattern followed a normal distribution curve. Indeed, parametric testing posits a normal distribution of data. The test aids in determining if the data are appropriate for performing regression. The interpretation and inference of results are not reliable when the normality of data is compromised. Shapiro-Wilk's test was employed in the study to check for normality (Hanusz, Tarasinska & Zielinski, 2016) with a set minimum of 0.05, below which data was deemed to significantly depart from normal distribution.

An informal technique to check for normality is to compare the histogram of a sample of data to a normal probability curve. The empirical distribution of the data should resemble the normal distribution and take the form of a bell (the histogram). A graphical technique for assessing normality is the normal probability plot, also known as a quantile-quantile plot (QQ plot) of the standardized data versus the conventional normal distribution. Indeed, by examining the correlation between the sample data and its normal quantiles, one can determine how well a normal distribution represents the sample data. If the data were normal, the QQ plot's dots would generally follow a straight line, indicating a strong positive association. These plots have the benefit of making it easy to identify outliers and they are also simple to read. Shapiro-Wilk test was used for this study's normality test. A frequentist statistician's test for normality is the Shapiro-Wilk test. The findings are presented in Table 43.

Table 43: The Shapiro–Wilk test

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Learning Orientation	.113	47	.166	.954	47	.064
Firm Innovation	.068	47	.200[*]	.982	47	.673
SE Team Integration	.119	47	.092	.952	47	.052
Competitive Advantage	.090	47	.200[*]	.986	47	.829

Source: Field data 2021

For normality to be confirmed, all p-values for all the variables should be greater than the cut-off point of 0.05. Learning orientation recorded significance level of 0.064, FI, 0.673, SETI, 0.052 and CA, 0.829 all satisfying the normality assumption. The test results therefore confirmed that the study's population was normally distributed. Given that it is impossible to infer precise and trustworthy conclusions about reality when certain presumptions, such as normality, are violated, it is important to take these assumptions seriously. The existing literature suggests that when applying parametric statistical tests, the normality assumption should be evaluated. It is preferable to determine normality visually and using normality tests, among which the SPSS software's Shapiro-Wilk test is highly advised. The normality assumption must also be taken into consideration when validating data that has been published in the literature since it indicates whether the right statistical tests have been applied.

4.7.3 Test of Multicollinearity

When a regression model's independent variables are interrelated, multicollinearity emerges. This relationship is problematic because the predictor variables ought to be independent. It can be difficult to fit the model and comprehend the findings if the variables' association is strong enough to be significant. One of the primary goals of regression analysis is to determine the relationship between each independent variable and the dependent variable. A regression coefficient is assumed to represent the mean change in the dependent variable for each 1-unit change in the independent variable when all other independent variables are maintained constant.

The concept is that just one independent variable can have its value changed; the others cannot. On the other hand, when independent variables are correlated, it means that changes in one variable are connected to changes in another. When there is a strong correlation between two independent variables, it is more difficult to change one without simultaneously influencing the other. Since the independent variables frequently change at the same time, it is difficult for the model to independently determine how each independent variable and the dependent variable are related. Multicollinearity makes it challenging to comprehend the coefficients and makes it more challenging for the model to find statistically significant independent variables.

Table 44: Test of Multicollinearity

Variable	Collinearity Statistics	
	Tolerance	VIF
Learning orientation	.365	2.737
Firm innovation	.394	2.536
Senior executives' team integration	.451	2.220

Source: Field data 2021

Since all tolerance values exceeded the criterion of 0.2 and all variance inflation factor (VIF) values were below the threshold of 10, there was no evidence of multicollinearity (Pallant 2016). Similar to VIFs more than 10, a tolerance threshold value of less than 0.2 denotes the presence of collinearity (Hansen, 2013). The results from the above Table 4.41 indicate that the independent variables had VIF within the threshold limits with learning orientation (2.738), firm innovation (2.536) and SE team integration (2.220). The VIF determines the existence and magnitude of correlations between independent variables. VIFs have no upper limit and begin at 1.

A correlation between the independent variable and any other variables is not present, when the VIF is 1. A moderate correlation is indicated by VIFs between 1 and 5, although it is not severe enough to call for corrective action. A critical level of multicollinearity, where the p-values and coefficients are unknown, is indicated by a VIF greater than 5. The variance inflation factor (VIF) gauges the degree to which the explanatory variables in a regression model are correlated with one another.

4.7.4 Test of Homogeneity of Variance

Homoscedasticity is the state in which the variance of the residual, or error component, in a regression model, is constant. In other words, even when the value of the predictor variable changes, the error term does not. Therefore, homoscedasticity is the condition in which the error term holds true regardless of the value of the independent variables. In univariate analyses for instance the analysis of variance (ANOVA), when there is a single quantitative dependent variable and one or more independent variables, homoscedasticity is also known as the homogeneity of variance. It is expected that the dependent variable has equal variances at all levels of the independent variables. The presumption of equal variances, assumes that all samples, regardless of their population of origin, have the same variance. Levene's test is the most popular method for determining homoscedasticity. Levene's test uses the F-test to investigate the null hypothesis that the variance is the same across all groups. A p-value of less than .05 indicates a violation of the assumption.

And since regression analysis implies equal variances, heteroscedasticity arises if the variances aren't equal and which complicates the study. Levene test was employed in this investigation to determine whether the variance was homogeneous. This inferential statistic evaluates whether the variances of two variables are equal (Levene, 1960). Small changes in group variance can result in a significant levene test in large samples more than 30 (Field, 2009). Verifying again by looking at the variance ratio is helpful. This ratio compares the variations between the groups with the highest and lowest variances, and it should be below or around 2 or 3 (Field, 2009).

Table 45: Test of Homogeneity of Variance

Test of Homogeneity of Variance			
Competitive Advantage			
Levene Statistic	df1	df2	Sig.
2.914	2	44	.065

Source: Field data 2021

4.8 Regression analysis and Hypotheses Testing

A rationally postulated relationship between two or more variables that is presented as a testable statement is referred to as a hypothesis. They are developed from the theory that serves as the conceptual model's foundation and frequently take the form of relationships. It is anticipated that answers to the issues observed can be found by testing the hypotheses and verifying the conjectured relationships. The results are statistically significant when the alternative hypothesis is adopted, and the data are consistent with the assumption that a population-level influence exists. Hypotheses tests allows us to draw conclusions about the whole population.

4.8.1 Effect of Learning Orientation on Competitive Advantage

The study's first objective was to determine the effect of learning orientation on competitive advantage of insurance companies in Kenya. Learning orientation was operationalized using the dimensions of open-mindedness, commitment to learning and shared vision. Competitive advantage was measured using market responsiveness, firm flexibility and product differentiation. To assess the influence of learning orientation on competitive advantage of Kenyan insurance companies, the following alternative hypothesis was tested using simple regression analysis:

H_{01}: Learning orientation has no significant effect on competitive advantage of insurance companies in Kenya.

Table 4.43 summarizes and presents the findings of the regression analysis performed to determine the impact of learning orientation on competitive advantage.

Table 46: Effect of Learning Orientation on Competitive Advantage

Model summary						
Model	R	R^2	Adjusted R^2		Std. Error of the Estimate	
1	.626a	.392	.378		.50175	
ANOVA						
Model		Sum of squares	DF	Mean Square	F	Sig
1	Regression	7.295	1	7.295	28.977	.000b
	Residual	11.329	45	.252		
	Total	18.624	46			
Coefficient						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std Error	Beta	t	Sig
1	(constant)	.602	.424		1.418	.163
	Learning Orientation	.587	.109	.626	5.383	.000

a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), Learning Orientation
Source: Field data 2021

The findings in Table 46 demonstrate that learning orientation explained 39.2 % of the variation in competitive advantage of insurance companies in Kenya. This suggests that additional variables not accounted for by the model were responsible for 60.8% of the variation in competitive advantage. This is demonstrated by R^2 (coefficient of determination) value of 0.392 in the model summary. The results also indicate that the regression model fitting the correlation between learning orientation and competitive advantage was robust and statistically significant as shown by F = 28.977, p<0.05. The standardized regression coefficient value for learning orientation was β=0.626. This suggests that competitive advantage improved by 0.626 for every unit increase in learning orientation. Further, learning orientation t=5.383, p<0.05 was established to have a positive statistically significant influence on competitive advantage of Kenyan insurance companies. Based on these findings, the null hypothesis H_{01}; that learning orientation has no significant effect on competitive advantage of insurance companies in Kenya was not supported. The null hypothesis was rejected

From the results, the prediction equation is substituted as follows:

$CA_1 = \beta_{10} + \beta_{11}LO + \varepsilon_1$.

$CA_1 = 0.602 + 0.626LO + \varepsilon_1$

Where;

CA_1= Competitive Advantage

LO= Learning Orientation

ε_1= Error term

Regression analysis using the learning orientation attributes of commitment to learning, open-mindedness, and shared vision as predicted was carried out to further investigate the learning orientation-competitive advantage relationship. The goal was to ascertain how the dimensions related to competitive advantage. The findings are as presented in Table 47.

Table 47: Regression results of the effect of the dimensions of Learning Orientation on Competitive Advantage

Model Summary				
Model	R	R²	Adjusted R²	Std. Error of the Estimate
1	.633ª	.401	.359	.50925

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.472	3	2.491	9.604	.000ᵇ
	Residual	11.152	43	.259		
	Total	18.624	46			

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.623	.450		1.386	.173
	Commitment to Learning	.078	.150	.095	.522	.604
	Open-Mindedness	.252	.159	.275	1.588	.120
	Shared Vision	.259	.164	.327	1.581	.121

a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), Commitment to Learning, Open-Mindedness, Shared Vision
Source: Field data 2021

The findings indicate that the dimensions of learning orientation explained 40.1 % of the variation in competitive advantage among insurance companies in Kenya. This suggests that 59.9% of the change in competitive advantage was attributable to factors other than those in the analytical model. The results also indicate that the regression model fit was robust and statistically significant. The results further indicated statistically insignificant relationship between each dimension of learning orientation; commitment to learning- β = 0.095, t= 0.522, p>0.05; open-mindedness- β=0.275, t=1.588, p>0.05; shared vision- β=0.327, t=1.581, p>.05 and competitive advantage. Further, the beta coefficients show that shared vision; β=0.327 has a robust individual contribution among the dimensions of learning orientation in explaining competitive advantage among insurance firms in Kenya, followed by open-mindedness (β=0.275) and commitment to learning (β=0.095).

4.8.2 Moderating effect of Senior Executive Team Integration on the relationship between Learning Orientation and Competitive Advantage

The study's second objective was to determine the effect of senior executive team integration on the link between learning orientation and competitive advantage of insurance companies in Kenya. It was predicted that senior executive team integration would moderate the learning orientation-competitive advantage relationship. To achieve this, the following hypothesis was formulated and tested:

H_{02}: Senior executive team integration has no significant moderating effect on the relationship between learning orientation and competitive advantage of insurance companies in Kenya.

The hierarchical regression approach proposed by Baron and Kenny (1986) was utilized to test the hypothesis. Step one entailed predicting the dependent variable (competitive advantage) from the independent variable (learning orientation). Step two entailed testing simultaneously the influence of the independent variable (learning orientation) and the moderating variable (SE team integration) on the dependent variable (competitive advantage). Thereafter in step three, the dependent variable (competitive advantage) was regressed on the independent variable (learning orientation), the moderator variable (SE team integration) and the interaction between learning orientation and senior executive team integration. Only when the interaction between the independent and moderating variables, has statistically significant effects ($p<0.05$) on the dependent variable, can there be moderation. The findings of the hierarchical regression analysis predicting competitive advantage from learning orientation and SE team integration is presented in Table 48.

Table 48: The Moderating effect of SE Team Integration on Learning Orientation and Competitive Advantage

Model Summary

Model	R	R²	Adjusted R²	Std. Error of the Estimate	R² Change	F Change	df1	df2	Sig. F Change
						Change Statistics			
1	.626[a]	.392	.378	.50175	.392	28.977	1	45	.000
2	.696[b]	.484	.461	.46719	.092	7.903	1	44	.007
3	.698[c]	.488	.452	.47108	.004	.277	1	43	.602

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.295	1	7.295	28.977	.000[b]
	Residual	11.329	45	.252		
	Total	18.624	46			
2	Regression	9.020	2	4.510	20.663	.000[c]
	Residual	9.604	44	.218		
	Total	18.624	46			
3	Regression	9.082	3	3.027	13.641	.000[d]
	Residual	9.542	43	.222		
	Total	18.624	46			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.602	.424		1.418	.163
	Learning Orientation	.587	.109	.626	5.383	.000
2	(Constant)	-.207	.489		-.423	.675
	Learning Orientation	.302	.143	.322	2.104	.041
	SE Team Integration	.503	.179	.430	2.811	.007
3	(Constant)	1.259	2.830		.445	.659
	Learning Orientation	-.086	.751	-.091	-.114	.910
	SE team integration	.092	.802	.079	.115	.909
	Interaction term	.107	.203	.709	.526	.602

a. Predictors: (Constant), Learning Orientation

b. Predictors: (Constant), Learning Orientation, SE Team Integration

c. Predictors: (Constant), Learning Orientation, SE Team Integration, Interaction Term

d. Dependent Variable: Competitive Advantage

Source: Field data 2021

The findings in Table 48 indicate that in model 1, learning orientation ($R^2=0.392$) explained 39.2% variation in competitive advantage and was statistically significant. And upon introduction of SE team integration in model 2, the explained variation ($R^2=0.484$) increased to 48.4%. In model 2, both learning orientation ($\beta= 0.322$, $t=2.104$, $p<0.05$) and SE team integration ($\beta=0.43$, $t=2.811$, $p<0.05$) were statistically significant. When the interaction term was introduced in model 3, the explained variation increased marginally from 48.4% to 48.8%. This was a R^2 change of 0.004 from regression model 2 to regression model 3. This implies that the interaction term had no significant explanatory power on the learning orientation-competitive advantage relationship. The condition for moderation, which states that the impact of the interaction between learning orientation and SE team integration on competitive advantage should be statistically significant, was not supported given the finding that the coefficient for the interaction term was not significant ($\beta = 0.709$, $t= 0.526$, $p> 0.05$). Hypothesis two (H_{02}) was therefore supported. This shows that there was no moderating effect of SE team integration on the link between learning orientation and competitive advantage.

Recalling the model;

$CA_2= \beta_{20} + \beta_{21}LO + \beta_{22}SETI + \beta_{23}LOSETI+ \varepsilon_2$

$CA_2= 1.259 -0.091LO + 0.079SETI + 0.709LOSETI+\varepsilon_2$

Where;

$CA_2=$ Competitive Advantage

LO= Learning orientation

SETI=Senior Executives' team integration

LOSETI=Interaction term

4.8.3 Mediation of Firm Innovation in the relationship between Learning Orientation and Competitive Advantage

The study's third objective was to assess the mediation of firm innovation in the link between learning orientation and competitive advantage of Kenyan insurance companies. It was predicted that firm innovation would mediate the learning orientation-competitive advantage relationship. A mediating or intervening variable is one that appears between the time the independent variable begins to affect the dependent variable, and when that impact is felt by the dependent variable. To address this objective, the below hypothesis was tested:

H_{03}: Firm innovation has no significant mediating effect in the relationship between learning orientation and competitive advantage of insurance companies in Kenya.

The mediating effect was assessed using the Baron and Kenny (1986) four-step regression procedure. Following this procedure, mediation is established when learning orientation (predictor variable) is related independently to both firm innovation (mediator variable) and competitive advantage (dependent variable). Additionally, it must be demonstrated that the regression coefficient linked to the learning orientation-competitive advantage relationship decreases or equals zero in the presence of firm innovation in order to establish the mediation effect. Full mediation is achieved when the regression coefficient in the learning orientation-competitive advantage relationship equals zero in the presence of firm innovation. However, if the effect only shrinks in the presence of the mediator but is still above zero and is insignificant, partial mediation will have occurred. The Baron & Kenny (1986) four -step regression process is demonstrated below.

Step 1

Competitive advantage was regressed on learning orientation. The results are presented in Table 49.

Table 49: Step 1 of the Intervening effect of Firm Innovation on Learning Orientation and Competitive Advantage

Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.626a	.392	.378	.50175

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.295	1	7.295	28.977	.000b
	Residual	11.329	45	.252		
	Total	18.624	46			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.602	.424		1.418	.163
	Learning Orientation	.587	.109	.626	5.383	.000

a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), Learning Orientation
Source: Field data 2021

The findings in Table 49(a) show that 39.2% of variation in competitive advantage was attributable to learning orientation (R^2= 0.392). The model was statistically significant and robust with F=28.977, p<0.05. The beta coefficient indicates that competitive advantage would fluctuate by 0.626 for every unit change in learning orientation. These findings demonstrate that a statistically significant association exist between LO and competitive advantage. The first condition in testing for mediation is met (β=0.626, t=5.383, p<0.05). Based on these results, the regression model, $CA_3 = \beta_{30} + \beta_{31}LO + \varepsilon_3$, is substituted as follows:

$CA_3 = 0.602 + 0.626LO + \varepsilon_3$

Where

CA_3 = Competitive Advantage

LO= Learning orientation

ε_3= Error term

Step 2

In this step, firm innovation was regressed on learning orientation. The findings are reported in Table 50.

Table 50: Regression results for the effect of Learning Orientation on Firm Innovation

Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.750[a]	.562	.552	.42411

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.376	1	10.376	57.687	.000[b]
	Residual	8.094	45	.180		
	Total	18.471	46			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.585	.359		1.630	.110
	Learning Orientation	.700	.092	**.750**	7.595	**.000**

a. Dependent Variable: Firm Innovation
b. Predictors: (Constant), Learning Orientation

Source: Field data 2021

The results indicate that 56.2% (R^2=0.562) variation in firm innovation was explained by learning orientation. This suggests that factors not considered in the model explained 43.8% of the variation in firm innovation. The model was robust and significant with F=57.687 and p<0.05. The beta coefficient indicates that firm innovation would increase by 0.750 for every unit change in learning orientation. Based on the results, we conclude that learning orientation had a positive and statistically significant effect on firm innovation (β= 0.750, t = 7.595, p<0.05) as shown in Table 50. The second condition for testing for mediation is met.

Based on these results, the prediction equation, FI = $\beta_{40} + \beta_{41}$LO +ε_4 is substituted as follows:

FI= 0.585+0.750LO+ε_4

Where

FI = Firm innovation

LO= Learning orientation

ε_4= Error term

Regression analysis employing the learning orientation dimensions of open-mindedness, commitment to learning and shared vision was carried out to further investigate the association between learning orientation and firm innovation. The goal was to ascertain how the dimensions and firm innovation interacted. The results are shown in Table 51.

Table 51: Regression Results for the effect of dimensions of Learning Orientation on Firm Innovation

Model Summary

Model	R	R²	Adjusted R²	Std. Error of the Estimate	Change Statistics				
					R² Change	F Change	df1	df2	Sig. F Change
1	.789[a]	.623	.596	.40259	.623	23.653	3	43	.000

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.501	3	3.834	23.653	.000[b]
	Residual	6.970	43	.162		
	Total	18.471	46			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.852	.356		2.395	.021
	Commitment to learning	.068	.119	.084	.576	.568
	Shared vision	.014	.126	.016	.114	.910
	Open-mindedness	.563	.130	.713	4.341	.000

a. Dependent Variable: Firm innovation

b. Predictors: (Constant), Commitment to learning, Shared vision, Open-mindedness

Source: Field data 2021

The results indicate that the dimensions of learning orientation explained 62.3 % of variation in innovation of insurance firms in Kenya. This suggests that other factors outside the analytical model were responsible for 37.7% of the variation in firm innovation. The results also show that the regression model fit was robust and statistically significant (F = 23.653, p<0.05).

Table 51 shows that there was no statistically significant relationship between the dimensions of LO- commitment to learning- (β = 0.084, t= 0.576, p>0.05); shared vision- (β=0.016, t=0.114, p>.05) and firm innovation. However, there was a statistically significant relationship between open-mindedness- (β=0.713, t=4.341, p<0.05) and firm innovation. Further, the beta coefficients indicate that open-mindedness (β=0.713, t=4.341, p<0.05) has the strongest unique contribution among the dimensions of learning orientation in explaining competitive advantage among insurance firms in Kenya, followed by commitment to learning (β=0.084, t= 0.576, p>0.05) and shared vision (β=0.016, t=0.114, p>.05).

Step 3

In this step, competitive advantage was regressed on firm innovation to assess the effect of firm innovation on competitive advantage. The results are presented in Table 52.

Table 52: Regression Results for the effect of Firm Innovation on Competitive Advantage

Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.798[a]	.636	.628	.38796

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.851	1	11.851	78.739	.000[b]
	Residual	6.773	45	.151		
	Total	18.624	46			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.234	.300		.779	.440
	Firm Innovation	.801	.090	**.798**	8.874	**.000**

a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), Firm Innovation

Source: Field data 2021

Table 52 show that 63.6% (R^2=0.636) of variation in competitive advantage was accounted for by firm innovation and 36.4% explained by factors outside the analytical model. The model was significant and robust with F=78.739 and $p<0.05$. The correlation coefficient (R= 0.798) is an indication of a positive and strong relationship between firm innovation and competitive advantage. These findings lead to the conclusion that firm innovation had a positive and statistically significant effect on competitive advantage (β=0.798, t = 8.874, $p<0.05$). The beta coefficient predicted that for every 1 unit change in firm innovation, competitive advantage changed by 0.798.

Recalling the model;

$CA_4 = \beta_{50} + \beta_{51}FI + \varepsilon_5$

Regression equation

$CA_4 = 0.234 + 0.798FI + \varepsilon_5$

Regression analysis using the dimensions of firm innovation—product innovation, administrative innovation, and process innovation—as predictors was carried out to further analyse the association between firm innovation and competitive advantage. The goal was to ascertain how competitive advantage and the dimensions of firm innovation interacted. The results are shown in Table 53.

Table 53: Regression results for the effect of the dimensions of Firm Innovation on Competitive Advantage

Model Summary										
				Std. Error	Change Statistics					
			Adjusted	of the	R^2	F				Sig. F
Model	R	R^2	R^2	Estimate	Change	Change	df1	df2		Change
1	.808ª	.653	.629	.38768	.653	26.971	3	43		.000

ANOVA					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.161	3	4.054	26.971	.000ᵇ
	Residual	6.463	43	.150		
	Total	18.624	46			

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.381	.478		.797	.430
	Product innovation	.401	.102	.522	3.935	.000
	Administrative innovation	.185	.225	.131	.825	.414
	Process innovation	.180	.110	.237	1.642	.108

a. Dependent Variable: Competitive advantage

b. Predictors: (Constant), Product innovation, Process innovation, Administrative innovation

Source: Field data 2021

The results in Table 53 indicate that the dimensions of firm innovation explained 65.3 % of variation in competitive advantage among Kenyan insurance companies. The results also indicate that the regression model achieved goodness of fit implying that regression model fitting the link between the dimensions of firm innovation and competitive advantage was robust and statistically significant as indicated (F = 26.971, p<0.05). Additionally, the findings show a lack of a statistically significant association between the dimensions of firm innovation (administrative innovation- β = 0.131, t= 0.825, p>0.05; process innovation- β=0.237, t=1,642, p>.05) and competitive advantage.

Product innovation and competitive advantage did, however, have a statistically significant association (β=0.522, t=3.935, p<0.05). This implies that product innovation is critical for insurance firms in Kenya if they have to achieve sustainable competitive advantage. Further, the beta coefficients indicate that product innovation (β=0.522, t=3.935, p<0.05) has the strongest unique contribution among the dimensions of firm innovation in explaining competitive advantage among insurance companies in Kenya, followed by process innovation (β=0.237, t=1,642, p>.05) and administrative innovation (β=0.131, t= 0.825, p>0.05).

Step 4

In this step, competitive advantage was regressed on both learning orientation and firm innovation. The results are reported in Table 54.

Table 54: Mediation of Firm Innovation in the relationship between Learning Orientation and Competitive Advantage

Model Summary

Model	R	R²	Adjusted R²	Std. Error of the Estimate
1	.626[a]	.392	.378	.50175
2	.799[b]	.638	.622	.39137

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.295	1	7.295	28.977	.000[b]
	Residual	11.329	45	.252		
	Total	18.624	46			
2	Regression	11.884	2	5.942	38.793	.000[c]
	Residual	6.740	44	.153		
	Total	18.624	46			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.602	.424		1.418	.163
	Learning Orientation	.587	.109	.626	5.383	.000
2	(Constant)	.162	.341		.474	.638
	Learning Orientation	.060	.128	.064	.466	.644
	Firm Innovation	.753	.138	.750	5.474	.000

a. Predictors: (Constant), Learning Orientation
b. Predictors: (Constant), Learning Orientation, Firm Innovation
c. Competitive advantage
Source: Field data 2021

Results in Table 54 show the following regression outcomes: $R^2=.638$, F=38.793, $p<0.05$ which suggest that learning orientation and firm innovation together accounted for 63.8% of the variation in competitive advantage among Kenyan insurance companies. The results further reveal that R^2 increased from 0.392 to 0.638 when firm innovation was included in the regression model. The results imply that firm innovation explained the additional 24.6% of the change in competitive advantage. The correlation coefficient, R=0.799, indicates a positive and strong association between LO and firm innovation and competitive advantage.

Hypothesis three (H_{03}) stated that firm innovation has no significant mediating effect in the link between learning orientation and competitive advantage. The research findings in steps 1 and 3 revealed that learning orientation and firm innovation predict competitive advantage. It can be noted from the results in table 4.35(d), that the magnitude of the regression coefficient of learning orientation reduced from 0.626 to 0.064, when firm innovation was introduced into the regression equation in step 4. This implies that firm innovation has a mediating effect in the association between learning orientation and competitive advantage. Hypothesis 3 which stated that firm innovation has no significant mediating effect in the relationship between learning orientation and competitive advantage of insurance companies in Kenya was therefore not supported. It can therefore be concluded that firm innovation has a mediating effect on the relationship between learning orientation and competitive advantage.

The regression equation is specified as follows:

$CA_5 = \beta_{60} + \beta_{61}LO + \beta_{62}FI + \varepsilon_6$

$CA_5 = 0.602 + 0.064LO + 0.750FI + \varepsilon_6$

4.8.4 The joint effect of Learning Orientation, Firm Innovation and Senior Executive Team Integration on Competitive Advantage

The fourth objective was to establish the combined effect of learning orientation, firm innovation and senior executive team integration on competitive advantage of insurance companies in Kenya. To realize this, the following hypothesis was formulated and tested.

H_{04}: Learning orientation, SE team integration and firm innovation have no significant joint effect on competitive advantage of insurance companies in Kenya.

This entailed regressing competitive advantage on learning orientation, firm innovation and SE team integration. The results of the regression are shown in Table 55.

Table 55: Regression outcomes for the joint effect of Learning Orientation, Firm Innovation and SE Team Integration on Competitive Advantage

Model Summary

Model	R	R²	Adjusted R²	Std. Error of the Estimate
1	.814ᵃ	.662	.639	.38250

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.333	3	4.111	28.097	.000ᵇ
	Residual	6.291	43	.146		
	Total	18.624	46			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.227	.400		-.567	.573
	Learning orientation	-.038	.138	-.041	-.279	.782
	SE Team integration	.271	.155	.231	1.751	.087
	Firm innovation	.674	.142	.672	4.758	.000

a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), Learning orientation, SE Team integration, Firm innovation
Source: Field data 2021

From Table 55, R^2 = 0.662, F= 28.097, p<0.05. This suggests that jointly, learning orientation, SE team integration and firm innovation, account for 66.2% of the variation in competitive advantage of Kenyan insurance companies. The correlation coefficient R=0.814, is evidence of a positive and strong correlation between learning orientation, SE team integration, firm innovation and competitive advantage. Learning orientation (β=-0.041, t=-0.279, p>0.05) and SE team integration (β=0.231, t=1.751, p>0.05) were however not significant predictors of competitive advantage.

The overall model was statistically significant (F=28.097, P<0.05), an indication that the joint effect of learning orientation, SE team integration, and firm innovation on competitive advantage was statistically significant. The hypothesis that learning orientation, SE team integration and firm innovation have no significant joint effect on competitive advantage of insurance companies in Kenya was therefore not supported.

4.9 Summary of Tests of Hypotheses

A synopsis of the conclusions from the tested hypotheses is presented in this section. The study had four objectives, which served as the foundation for the formulation and testing of four hypotheses expressed in the alternative form. The findings and an overview of the tests of hypotheses are given in Table 56.

Table 56: Summary of Tests of Hypotheses

Objective	Hypotheses	Findings	Hypotheses test outcome
Objective 1: To establish the effect of learning orientation on competitive advantage of insurance companies in Kenya	H_{01}: learning orientation has no significant effect on competitive advantage of insurance companies in Kenya	$R=0.626$, $R^2=0.392$ $F=28.977$, $p<0.05$, $t=5.383$, $p<0.05$ The results revealed a statistically significant relationship between learning orientation and competitive advantage of insurance companies in Kenya. The results also revealed a robust regression model ($F=28.977$, $P<0.05$).	The null hypothesis was rejected
Objective 2: To establish the effect of SE team integration on the relationship between learning orientation and competitive advantage of insurance companies in Kenya	H_{02}: Senior executive team integration has no significant moderating effect on the relationship between LO and CA of insurance companies in Kenya	SE team integration was found not to significantly moderate the relationship between learning orientation and competitive advantage of insurance companies in Kenya	The null hypothesis was supported.

Table 56 Cont'd…

Objective	Hypotheses	Findings	Hypotheses test outcome
Objective 3: To determine the influence of firm innovation on learning orientation and competitive advantage of insurance companies in Kenya	H_{03}: Firm innovation has no significant mediating effect on the relationship between learning orientation and advantage of insurance companies in Kenya	Firm innovation was found to significantly mediate in the relationship between learning orientation and competitive advantage of insurance companies in Kenya	The null hypothesis was rejected
Objective 4: To determine the joint influence of learning orientation, firm innovation and senior executive team integration on competitive advantage of insurance companies in Kenya	H_{04}: Learning orientation, SE team integration and firm innovation have no significant joint effect on competitive advantage of insurance companies in Kenya.	R=0.814, R²=0.662 F=28.097, p<0.05, A statistically significant joint effect between the variables was established.	The null hypothesis was rejected

Source: Field data 2021

Table 56 presents the findings of the tests of the four hypotheses formulated to determine the influence of SE team integration and firm innovation on the relationship between learning orientation and competitive advantage. The first hypothesis proposed that learning orientation had no significant effect on competitive advantage of insurance firms in Kenya. The findings established that learning orientation had a positive and statistically significant effect on competitive advantage and therefore the hypothesis was not supported. The second hypothesis examined the moderation effect of SE team integration on the link between learning orientation and competitive advantage of Kenyan insurance companies. The results indicated that SE team integration did not significantly moderate the relationship. The second hypothesis that SE team integration had no significant moderating effect on the relationship between learning orientation and competitive advantage of insurance companies in Kenya was therefore supported.

The third hypothesis proposed that firm innovation had no significant influence on the relationship between learning orientation and competitive advantage of insurance companies in Kenya. Following the four-step regression procedure proposed by Baron and Kenny (1986) to assess mediation, the results established that firm innovation mediated the relationship between learning orientation and competitive advantage of insurance companies in Kenya. Therefore, the null hypothesis that firm innovation has no significant mediating effect on the relationship between learning orientation and competitive advantage of insurance companies in Kenya was not supported. The fourth hypothesis had suggested that learning orientation, SE team integration and firm innovation had no significant joint effect on competitive advantage of insurance companies in Kenya. The results established that the variables had a significant joint effect on the learning orientation-competitive advantage relationship among insurance companies in Kenya. The fourth null hypothesis was therefore not supported.

This chapter discussed data analysis and presented the preliminary findings of the study including the response rate, the results of reliability and validity tests of the data collection instrument. Organizational demographics and the manifestation of variables within the insurance companies in Kenya were analyzed and presented using descriptive statistics. The results of diagnostic tests are presented and discussed. The results of hypotheses testing to determine the influence of SE team integration and firm innovation on the relationship between learning orientation and competitive advantage of insurance companies in Kenya are presented, interpreted and discussed. Three out of four null hypothesis tested were rejected. The next chapter discusses in detail the findings of the study against previous empirical studies.

CHAPTER FIVE
DISCUSSION OF FINDINGS

5.1 Introduction

In this chapter, the discussion of findings based on the objectives and conceptual hypotheses of the study is presented. A conceptual framework based on the literature on learning orientation and competitive advantage; learning orientation, senior executive team integration and competitive advantage; learning orientation, firm innovation and competitive advantage and learning orientation, senior executive team integration, frim innovation and competitive advantage was developed highlighting the hypothesized relationships between study variables. These associations between the variables were empirically tested. The findings, compared with findings from previous empirical studies, and the anchoring theories are discussed.

5.2 Learning Orientation and Competitive Advantage

With the diminishing competitive power of many companies in an increasingly globalized market, interest in embracing a learning orientation by firms has grown. The study's first objective was to determine whether learning orientation had a significant effect on competitive advantage of insurance companies in Kenya. This was established by developing and testing hypothesis one (H_{01}), which postulated that learning orientation had no significant effect on competitive advantage of insurance companies in Kenya. The findings confirmed that learning orientation positively and significantly impact competitive advantage. This implies that learning orientation is a predictor of competitive advantage among insurance companies in Kenya.

Studies by Martinette and Obenchain-Leeson (2012), Martinette and Obenchain-Leeson (2010), and Martinette, Obenchain-Leeson, Gomez, and Webb (2014) revealed similar findings. According to Martinette, Obenchain-Leeson, Gomez and Ebb, (2014), learning orientation had a significant impact on competitive advantage in organizations that provided public accounting services. Comparatively, Martinette and Obenchain-Leeson (2012) discovered a statistically significant link between LO and competitive advantage in a study on pure service and service-reliant firms. The findings were further corroborated by studies by Martinette (2006) and Mahmood and Hanafi (2013) which reported similar results. According to this study's findings, as learning orientation increased among insurance companies in Kenya, competitive advantage also increased. Therefore, for insurance companies in Kenya to enhance their competitiveness, they ought to identify proper and right training that could help them improve their LO skills.

The findings further reinforce Ramaswami, Bhargavam, and Srivastava (2004) argument that a company needs to understand what customers want in order to produce superior value and attain competitive advantage. Literature indicates, that one of the three dynamic capabilities essential for achievement of competitive advantage, is the capacity of employees to up their pace of learning (Teece, *et.al*, 1997). This is because competitors find difficulty in imitating the LO of another firm, since internally, a firm develops and shares knowledge exclusive to that company. The findings support the dynamic capabilities theory which states that a company's competitive advantage results from dynamic capabilities embedded in firm routines and rooted in the organization's paths, processes and market position (Teece et.al, 1997; Arndt & Pierce, 2017).

The replication of company routines, according to Winter and Szulanski (2002), is a particularly challenging and expensive procedure because replication is inevitably an organizational competence that can only be acquired by execution. Therefore, businesses are able to integrate, expand, and reconfigure their capacities to meet the demands of the rapidly changing environment by using dynamic capabilities, which develop over time through a process of learning (Teece *et. al*., 1997). Long (2013) argued that organizations that place a high premium on learning encourage staff to constantly challenge the organizational norms that direct business operations. As a result, and in order for businesses to maximize performance and gain a competitive advantage, they must foster an environment that values learning (Calantone et al., 2002). They must also provide goods and services that are centered around the needs and desires of the customers.

This argument has been echoed by many researchers who have posited that organizational learning is the most effective method for maintaining and enhancing a firm's competitive edge (Mavondo, Chimhanzi & Stewart, 2005; Senge, 1990). This is accomplished by adopting a learning attitude that involves exchanging knowledge about customer wants, market developments, and competitor moves that help with the creation of new products that give a company a competitive edge (Martinette *et al*. 2014). Indeed, an organization with a LO will have greater information and ability to identify market demands as it continues to learn (Alegre & Chiva, 2008). Thus, learning orientation enables businesses in today's dynamic environment to develop their ability to meet the expectations of their clients. Alegre & Chiva (2008) assert that the more organizations learn, the greater their knowledge base and capabilities that will enable them to better understand the customer needs and the necessity for organizational renewal and transformation.

5.3 Learning Orientation, Senior Executive Team Integration and Competitive Advantage

The capacity of a business to adapt to change and create products that meet the emerging needs of customers, heavily influences that company's ability to maintain a competitive edge (Halevi, Carmeli & Brueller, 2015). According to Hambrick and Finkelstein (1987), no other group, including the board of directors, has as much ability to influence the shape and future of an organization as the small team of senior executives who reside at its top. Instructively, this assertion corroborates the long-held acknowledgement by researchers in the upper echelons of firms that senior management team traits and characteristics impact organizational behavior and outcomes (Hambrick & Mason, 1984).

The study's second objective was to determine how SE team integration impacted the link between LO and competitive advantage of Kenyan insurance companies. It was hypothesized that senior executive team integration has no significant moderating effect on the relationship between learning orientation and competitive advantage of insurance companies in Kenya. The Baron and Kenny (1986) hierarchical regression approach was applied to evaluate the moderating effect. The findings revealed an association of statistical significance between learning orientation, SE team integration and competitive advantage. However, when the interaction term was introduced into the model, the R^2 change was very negligible and not statistically significant indicating that SE team integration had no moderating effect on the link between learning orientation and competitive advantage. This implies that the effect of learning orientation on competitive advantage of Kenyan insurance companies is not contingent or dependent on the existence or otherwise of senior executive team integration.

5.4 Learning Orientation, Firm Innovation and Competitive Advantage

Scholars attest that learning new information and skills improves a company's capacity for innovation, which in turn raises the firm's level of competitiveness (Baker & Sinkula, 1999; Keiser & Koch, 2008). According to research, innovation is the creation, acceptance, and implementation of novel concepts, procedures, goods, and services, and it is influenced by an organization's learning orientation (Baker & Sinkula, 1999; Calantone, et.al., 2002). Dixon (2012), contends that the important element supporting knowledge productivity processes is learning orientation, which entails seeking out information, accepting it, and creating new knowledge about products, processes, and services. Scholars and researchers have argued that organizational knowledge generated through organizational learning and held by the organization is what drives corporate innovation (Nonaka & Takeuchi, 1995).

The study's third objective was to determine how firm innovation mediated the link between LO and competitive advantage of Kenyan insurance companies. The study hypothesized that the association between learning orientation and competitive advantage was not significantly mediated by firm innovation. This was evaluated using the Baron and Kenny (1986) four-step regression procedure. The results show that the conditions proposed by Baron and Kenny (1986) for the mediating role of firm innovation in the link between learning orientation and competitive advantage were satisfied. This suggests that the association between LO and competitive advantage was significantly mediated by firm innovation. The findings thus lend credence to the idea that learning orientation enhances both innovation and competitive advantage.

A review of literature indicates that prior studies directly linking learning orientation and firm innovation to competitive advantage are scanty. Most studies have linked learning orientation and innovation with firm performance. There are several empirical studies in literature on the link between learning and innovation, and between innovation and competitive advantage. The study findings established that learning orientation significantly influenced firm innovation. The results are consistent with earlier research (Hsu *et.al.*, 2017; Martinez, Vega & Vega, 2016; Kiziloglu, 2015; Widiartanto, 2013; Nybakk, 2012; Salim & Sulaiman, 2011; Eshlagy & Maatofi, 2011; Liai, *et.al.,* 2012, & Calantone *et.al.,* 2002). Hsu, Cheng, and Lin (2017) found that LO positively impacted firm innovativeness and innovation. The results however inconsistent with the study by Kumar et.al. (2020) who found that learning orientation did not influence innovation.

Ussahawanitchakit (2008) found that shared vision and open mindedness had a positive significant direct effect on the innovation orientation of Thai accounting firms. He arrived at the conclusion that higher levels of commitment to learning result in more innovative activity and orientation. The findings of Ussahawanitchakit (2008) study, however contradicts the findings of this study which found open-mindedness to significantly influence firm innovation while commitment to learning and shared vision did not. The study also found a statistically significant positive link between firm innovation and competitive advantage using path analysis. The results are consistent with the previous findings which concluded that innovation significantly influence competitive advantage (Distanont, & Khongmalai, 2020; Udriyah, Tham, & Azam, 2019; Anning-Dorson, 2018; Kising'u, *et.al*., 2016; Aziz & Samad, 2016 & Williams & Hare, 2012).

Kising'u, Namusonge, and Mwirigi (2016) established that firm innovation served as the foundation for competitive advantage and concluded that product, administrative, and process innovation all played a significant role in the sustainability of competitive advantage of Kenyan universities. Zahra, Ireland, and Hitt (2000) argued that innovation allowed businesses to offer a wider range of distinctive products thus enabling them to boost their financial performance. The findings suggest that businesses should invest in innovation so as to guarantee a competitive advantage. However, the study's findings are at odds with those of Mavondo, Chimhanzi, and Stewart (2005) and Darroch (2005), who found that firm innovation had no significant impact on organizational performance.

The research findings support the knowledge-based theory, which holds that businesses exist to produce, share, and exploit knowledge in order to gain an advantage over rivals (Kogut and Zander, 1992). According to literature, gaining new information and skills boosts a company's capacity for innovation, which raises its level of performance and competitiveness (Baker & Sinkula, 1999). Alegre and Chiva (2013) asserted that it is not only the knowledge base that counts, but how it is created that will enhance firm innovation. This corroborates Nonaka (1994) assertion that knowledge remains the foremost source of sustainable competitive advantage. Gupta & Batra (2016) added that learning orientation compels firms to be innovative and enhance their capabilities to satisfy the emerging needs of customers by launching new products and processes. According to Grant (1996), a superior knowledge base can lead to more strategic flexibility and a quicker response to environmental changes. Therefore, businesses must be able to generate new information more quickly than their rivals if they want to gain a competitive advantage (Olokundun *et al.*, 2017).

5.5 Learning Orientation, Senior Executive Team Integration, Firm Innovation and Competitive Advantage

According to Morris, Webb, Fu and Singhal (2013), learning orientation is linked to meeting unmet customer demands and outpacing rivals by placing an emphasis on opportunity discovery, proactive behavior, and innovation. Because employees' knowledge and abilities are essential to customer retention, learning orientation is extremely important for gaining and keeping customers. Schoemaker, Heaton, and Teece (2018) caution firms and reiterate that new business models and creative offers cannot flourish without the entrepreneurial and leadership skills of senior management teams. According to Emmanuel (2008), businesses should develop the skills necessary to acquire new information and turn it into knowledge.

The study's fourth objective was to investigate the joint effect of learning orientation, SE team integration, firm innovation on competitive advantage of Kenyan insurance companies. It was predicted that learning orientation, SE team integration, and firm innovation jointly significantly impact competitive advantage. The relationship was investigated using multiple regression analysis, and the results indicated that the combined influence of learning orientation, SE team integration and firm innovation on competitive advantage was statistically significant thus supporting the hypothesis. The results confirmed the synergy created by the joint effect of learning orientation, SE team integration and firm innovation on competitive advantage. It is further noted that learning orientation and senior executive team integration had no statistically significant impact on competitive advantage. However, firm innovation was found to have the single greatest influence on competitive advantage.

As indicated earlier, the researcher is not aware of any prior studies that have considered learning orientation, firm innovation, senior executive team integration and competitive advantage together. This study therefore has attempted to fill the gap identified. Li and Zhang (2002) established that behavioral integration facilitated product innovation intensity and was positively correlated with industry growth and marketization. Drawing from dynamic capabilities theory, this study argues for firms to use their core competencies, built through organizational learning and innovation, to make changes to their short-term competitive positioning and use them to create sustainable competitive advantage. This is because dynamic capabilities; learning orientation included, are idiosyncratic and unique to each firm, challenging to create and imitate but essential for long-term growth (Teece *et.al.*, 1997).

Teece (2007) contends, that what matters most for businesses is corporate agility, which is the firm's capacity to spot and respond to threats, capitalize on opportunities, and maintain competitiveness by maximizing, consolidating, safeguarding, and/or reconfiguring their intangible and tangible assets. According to KBT, learning orientation serves as the basis for a knowledge-intensive behavioral process that creates, disseminates, stores and applies gained knowledge about complicated network activities (Nonaka, 1994). Grant (1996) delved into details about the challenges of sharing tacit knowledge among organizational members, by emphasizing the importance of effective integration in order to facilitate knowledge transfer, and makes the argument that acquiring organizational knowledge might not necessarily improve firm performance unless the valuable knowledge so acquired can also be used to its fullest potential.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This study sought to determine the impact of firm innovation and senior executive team integration on the relationship between learning orientation and competitive advantage of insurance companies in Kenyan. The findings, conclusions, recommendations, and implications for policy, theory and managerial practice are summarized in this chapter. The study's limitations are also highlighted, along with the study's contribution to knowledge in the area of strategic management. Future research recommendations are also suggested.

6.2 Summary of Findings

The study investigated the effect of SE team integration and firm innovation on the relationship between LO and competitive advantage of insurance companies in Kenya. To realize this, four distinct objectives were developed and four (4) hypotheses formulated and tested. The study targeted all the 56 insurance companies registered and licensed by IRA. A census survey was conducted targeting senior managers of the firms with a response rate of 88.9% being achieved; and which was considered representative and therefore adequate for analysis. A comparative study by Baruch (1999) covering 200,000 research studies on response rates in academic research found the response rates on studies involving senior executives at 36.1%. Nachmias and Nachmias (2004) determined that a response rate of 50% is adequate for survey studies. To gauge the internal consistency of the study instrument's items, reliability tests were evaluated using the Cronbach's Alpha coefficient.

The study adopted Cronbach alpha coefficient of 0.7 and above to denote an acceptance level as suggested by Cooper and Schindler (2011); with all the variables returning alpha coefficients above 0.9 which according to George and Mallery (2003) are considered excellent. To test validity, Bartlett's test of sphericity and the KMO measure of sampling adequacy were utilized; with Bartlett's test of sphericity value of $p < 0.05$ and KMO value > 0.6 being used as the threshold for carrying out factor analysis on the data using principal component analysis. The study variables' KMO and Barlett's test of sphericity thresholds were met and the ensuing factor analysis conducted confirmed validity of the study measurements.

The findings are further summarized and presented using descriptive and inferential statistics. Descriptive statistics covered the organizational demographics which included respondents' profiles as well as firm characteristics. Of the total respondents, 59.6% have been with their organizations for less than six (6) years with only 27.6% having stayed in their organizations for more than ten (10) years. This is an indicator of high mobility of senior executives among insurance firms in Kenya. Azinga, Kamaara and Ombui, (2018) found a relationship between job characteristics and staff turnover among insurance companies in Kenya that was both positive and significant. On academic qualifications, all the respondents were university graduates with 57.4% of the them holding post-graduate qualifications; an indicator that insurance companies considered academic qualifications as being critical and essential at the executive level especially given the insurance industry's fierce competition. A review of literature revealed a correlation between educational level and employee creativity and firm innovation capability (Ng & Feldman, 2009; Romero-Martinez *et al*., 2017).

On firm characteristics, 8.5% of the companies have been in existence for less than 10 years, with 91.5% having been in operations for over 10 years. This is suggestive of existence of entry barriers to the industry. With respect to the branch network, 17% of the respondents have less than 5 branches with 83% operating more than 5 branches. This is indicator that majority of the firms still believe in brick and mortar operations; suggestive of a low embrace of technology and the reliance on outdated systems and conventional distribution models. On staff complement, 31.9% of the respondents had less than 100 staff, 34.1% between 100 and 200 staff and 34% with over 200 employees. With 68.1% of the respondents employing more than 100 employees, it is an indicator that most of the insurance firms are still reliant on legacy systems, the product-push marketing strategy and the conventional distribution models.

The survey also sought to identify the categories of business that the organizations engaged in. Of the total respondents, 53.2% engaged in general business only, 34% in long term business and 12.8% in both general and long-term business (composite business). General business accounted for 56.2% of the industry premiums with motor and medical business accounting for 64.8% of the total premium in the category. Of special note is that six (6) insurers jointly control 43.0% of total general business premium income and likewise six (6) insurers control 60.9.2% of the long-term insurance market; an indicator that a small number of large companies control the Kenyan long-term insurance business segment (IRA 2021). Industry gross written premium stood at KES 276.06 billion in 2021 compared to 232.95 billion in 2020 representing an increase of 18.5%; the adverse effects of COVID-19 notwithstanding (IRA, 2021).

Regarding the new products range released over the past three years, 83% of the firms had introduced less than 5 new products, 12.8% introducing between 6-10 new products with a paltry 4.2% or only 2 firms introducing over 10 new products. This is an indicator of a low embrace of product innovation suggestive of offer of traditional products across the companies. On the scope of operations, it was established that 51.1% of the firms had restricted their operations to Kenya only, 38.3% conducted business across the East and Central Africa Region and 10.6% having global operations though operating as subsidiaries of multinationals. The regional expansion strategy was largely informed by geographical proximity and similarities in environmental complexity and dynamism.

A Likert-type scale with the following values: (1 = very small extent, 2 = to a small extent, 3 = to a moderate extent, 4 = to a large extent, and 5 = to a very large extent) was used in the study to determine the manifestation of the study variables. The questionnaires required the respondents to rate how much they agreed or disagreed with each statement. The findings revealed that the learning orientation's overall average score was 3.84, indicating that insurance firm's embraced learning orientation to a moderate extent. The statement with the greatest average score of 4.26 was the common belief among insurance companies that learning leads to organization improvement. On the indicators of LO, commitment to learning had the greatest average score of 4.02 (large extent), followed by shared vision 3.78 (moderate extent) and open-mindedness 3.71 (moderate extent). This implies that the insurance firms have a shared belief in and committed to learning but slow to unlearn their long-held beliefs and practices.

On the manifestation of innovation among the firms, the results indicated that the overall mean score for the 17 items utilized to assess firm innovation was 3.28. This indicates that insurance firms to a moderate extent embrace firm innovation. On the dimensions of firm innovation, administrative innovation registered the greatest average score of 3.40, followed by process innovation 3.29 and product innovation at 3.11. This confirms the assertion that insurance firms in Kenya offer similar traditional products supported by legacy systems and compete on price. On the manifestation of SE team integration, the average score was 3.78; suggesting that the surveyed insurance firms embraced team integration at senior executive level to a moderate extent. At the dimensions level, consultative decision making recorded the greatest average score of 3.86, followed by information exchange at 3.74 and collaborative interaction at 3.73. This is an indicator that insurance firms in Kenya generally value collaborative working relationships at the executive level since it promotes communication, knowledge exchange and sharing.

In the study, competitive advantage was operationalized using market responsiveness, firm flexibility and product differentiation. The overall average score was 3.20 suggesting that insurance firms enjoyed competitiveness to a moderate extent. Firm flexibility had the highest average score of 3.46 (moderate extent), market responsiveness 2.99 (small extent) and differentiated products 2.28 (small extent). This implies that much as the firms give some discretion to departmental heads to make decisions affecting their departments, their speed of response to market dynamics is low, with offer of duplicate traditional products being the norm. Further, being a regulated industry, compliance to policies, procedures, regulations, laws and processes is a common mantra.

The study used inferential statistics to assess the character and breadth of the linkages amongst variables using regression analysis. Prior to performing the regression analysis, diagnostic tests for assumptions of regression analysis were conducted. This involved testing for linearity using P-P plots, normality using Shapiro-Wilk test, multicollinearity using Variance Inflation Factors (VIF) and homoscedasticity using Levene's test. The linear regression analysis assumptions were all satisfied.

The study's first objective sought to evaluate the impact of learning orientation on CA of Kenyan insurance companies. The hypothesis test results demonstrated that learning orientation positively and significantly affected competitive advantage. Research conducted by Martinette and Obenchain-Leeson (2012) and Martinette, Obenchain-Leeson, Gomez and Ebb (2014) returned similar findings. The findings, however, contradicted the findings of Altinay *et al* (2015). There was no significant association found between the learning orientation indicators of open-mindedness, commitment to learning, shared vision, and competitive advantage.

The study's second objective was to examine the moderating effect of SE team integration on the link between learning orientation and competitive advantage of insurance companies in Kenya. The study's results showed that the association between LO and competitive advantage of Kenyan insurance firms was not moderated by SE team integration. This implies that SE team integration does not influence the direction or relationship between learning orientation and competitive advantage. Furthermore, it was recognized that the literature has not specifically addressed how competitive advantage, SE team integration, and learning orientation interact together.

The third objective was to assess the effect of firm innovation on the relationship between learning orientation and competitive advantage of insurance companies in Kenya. The mediating effect was assessed by following the four-step regression analysis procedure advocated by Baron and Kenny (1986). The study established that firm innovation has a strong positive and significant mediation effect on the link between LO and competitive advantage. The mediation effect was found to be partial.

The study's fourth objective sought to assess the joint influence of learning orientation, SE team integration, and firm innovation on competitive advantage of insurance firms in Kenya. The relationship was investigated using multiple regression analysis, and the results showed that the combined impact of learning orientation, SE team integration, and company innovation on competitive advantage was significant. The variables accounted for 66.2% of the variation in competitive advantage. The study further found that firm innovation had the greatest impact on competitive advantage.

6.3 Conclusion

This study focused on the association between learning orientation, firm innovation, SE team integration and competitive advantage of Kenyan insurance companies. In particular, it examined whether firm innovation and SE team integration influenced the link between LO and competitive advantage. To do so, a conceptual model was established and four hypotheses developed to test the association between the variables. As proposed in objective one, the results provided evidence that learning orientation predicted competitive advantage of insurance companies in Kenya.

It's noteworthy that businesses are constantly looking for ways to establish and maintain competitive advantage (Vij & Farooq, 2015). They must therefore improve their abilities and skills in order to survive and grow. This requires of them to commit to learning, have a shared vision and to embrace a culture of open-mindedness and insurance companies in Kenya are no exception. And consistent with the proposal by Ramaswami, Bhargavam, and Srivastava (2004), the findings of the current study, suggests that, when firms learn what customers desire, they will be better placed to understand the requirements and to respond faster than rivals and thus able to gain competitive advantage. For instance, ideas generated through continuous learning enable a business to make the necessary adjustments to its management systems, processes, and products to meet changing customer needs. This fits well with the dynamic capabilities theory which argues for firms to keep integrating, reconfiguring and renewing their capabilities, in tandem with the dynamic environment so as to achieve and sustain competitive advantage.

The findings further demonstrate that the association between LO and competitive advantage of insurance companies in Kenya is mediated by firm innovation. It can therefore be concluded that an organization's learning orientation triggers innovation, and consequently its competitive edge. The findings support Ganter and Hacker (2013) assertion that learning orientation is an antecedent to innovation and competitive advantage. An analysis of the impact of the dimensions of learning orientation on firm innovation, established that open-mindedness significantly influenced firm innovation. This confirms that it is in continuously questioning a company's engrained assumptions, systems and attitudes and increases openness to new ideas that guarantees innovation (Keskin, 2006).

The study findings suggest that the foremost cause of competitive advantage among Kenyan insurance companies is product innovation. Therefore, the companies should reconsider their operating strategies and begin considering agile means of introducing novel or modified products to the marketplace. They should improve their capacity for innovation by making use of the new information and skills acquired. The findings extend the knowledge-based theory which posits that firms create competitive advantage by upgrading their knowledge bases (Teece, 2007). This is because innovation capability guides firms to continuously create innovations in response to the highly competitive business environment (Slater *et al*., 2010). According to Nybakk (2012), an innovative company is more likely to do better than its rivals and to have a competitive edge.

The study had further hypothesized that SE team integration moderates the relationship between LO and competitive advantage. The results of the research show that SE team integration does not have a moderating effect on the association between learning orientation and competitive advantage but complements the relationship. Indeed, learning orientation is considered as the primary responsibility of senior management and therefore they ought not only to encourage their employees to learn but also to provide the environment in which different ideas can be freely expressed. And drawing from the upper-echelons theory that senior executives' characteristics and behaviors impact organizational outcomes, it is imperative that learning orientation becomes the shared vision of senior executives. The culture of continuous learning and improvement therefore should start with senior management and continue with employees if firms have to achieve and sustain competitive advantage.

It is instructive from the findings that no firm can employ a single strategy to develop and maintain competitive advantage and more especially in the turbulent business environment. Cognizant of this, the joint effect of learning orientation, firm innovation and SE team integration on competitive advantage of insurance firms was investigated. The study findings indicate that the joint effect of LO, SE team integration and firm innovation on competitive advantage was statistically significant. This suggests that there is synergy in the joint effect of the variables in influencing CA of insurance firms in Kenya. This is because learning orientation with the support of an integrated senior executive team, facilitates the development of a firm's innovation capacity which in turn creates competitive advantage. Insurance firms in Kenya therefore should not just create an environment and culture that promotes organizational learning but must apply the knowledge acquired to implement new management systems, products and processes to attain and sustain competitive advantage.

The findings of the study show that insurance companies in Kenya are not able to attain competitiveness majorly as a result of their low embrace of innovation especially on process and product. Indeed, much as the sector is regulated, the firms should encourage their teams to be open-minded and feel free to question the status quo and express themselves freely. Therefore, for any possibility of these firms to acquire and sustain competitive advantage, they must pay attention to and implement the necessary drivers of competitive advantage which are to embrace a learning orientation and innovation supported by a cohesive and integrated senior executive team that acknowledges the ever changing and emerging customer needs in a dynamic and complex business environment.

Overall, three hypothesized relationships in the study were confirmed whereas the hypothesized relationship that SE team integration moderates the relationship between learning orientation and competitive advantage was not. It can be concluded from the empirical results therefore that LO was positively associated with CA; that firm innovation mediated the LO- CA relationship and that there was a significant joint effect of LO, FI and SE team integration on competitive advantage. However, SE team integration did not moderate the relationship between LO and CA. From the findings therefore, the revised conceptual model is presented in Figure 10.
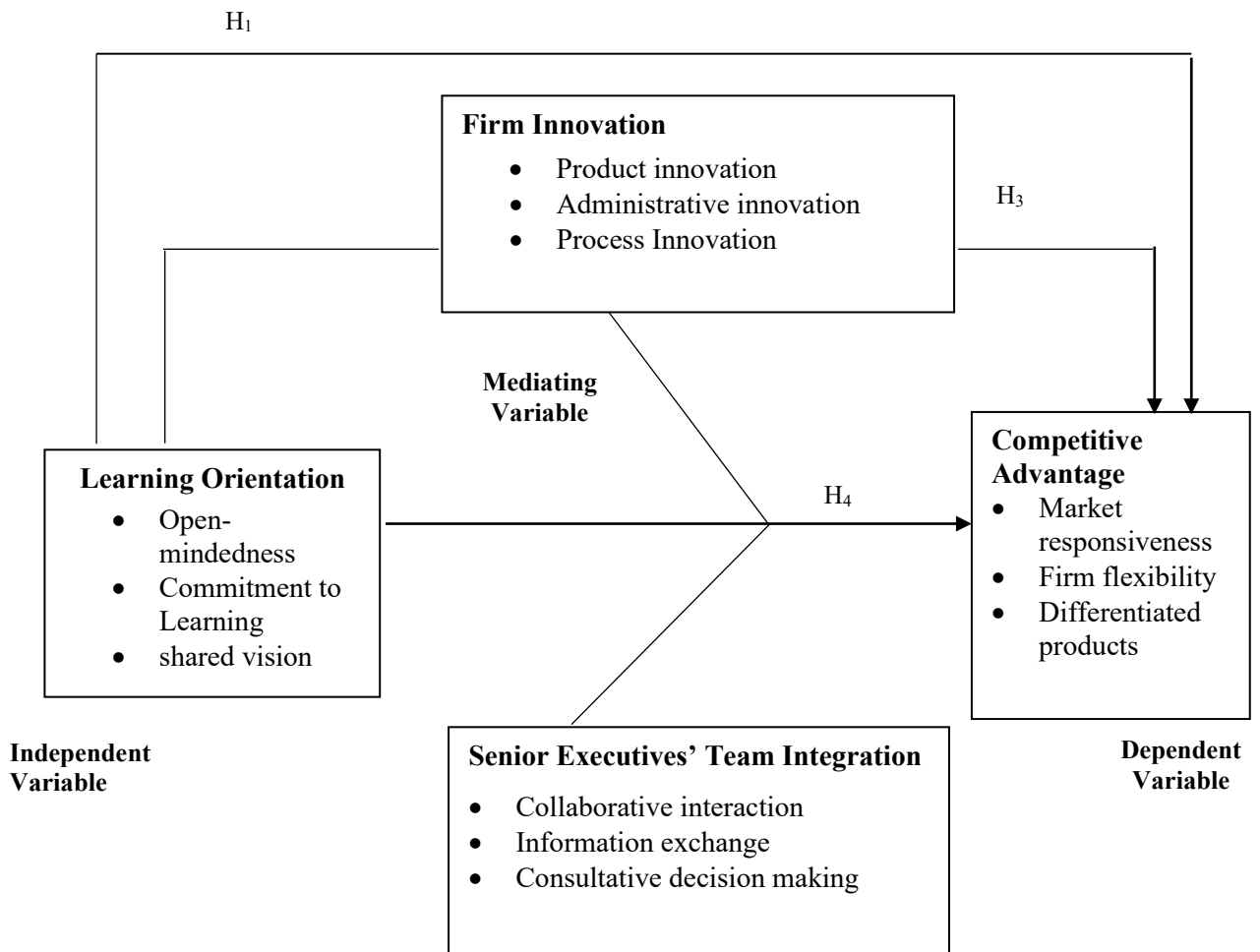
Figure 10: Revised Conceptual Model

Source: Researcher, 2021

6.4 Implications of the Study

The overall goal of the research was to assess the effect of SE team integration and firm innovation on the link between learning orientation and competitive advantage of insurance companies in Kenya. The findings established that learning orientation significantly influenced competitive advantage. This implies that for insurance firms in Kenya to achieve competitive advantage, they must embrace a learning orientation culture. They must be committed to learning, have a shared vision and ready to question the status quo. The study established that firm innovation mediated the learning orientation-competitive advantage relationship implying that learning orientation not only directly influenced the competitiveness of insurance companies in Kenya but also indirectly through innovative products, processes and administrative systems. It implies therefore that learning orientation is a trigger of firm innovation.

The study further established that SE team integration had no moderating impact on the association between LO and competitive advantage. This implies the effect of learning orientation on competitive advantage of insurance companies in Kenya was not contingent or dependent on the existence or otherwise of senior executive team integration. It therefore implies that learning orientation and SE team integration each independently influenced competitive advantage of insurance companies in Kenya. The joint effect of learning orientation, SE team integration and firm innovation on competitive advantage was established. These findings have implications on policy, managerial practice and theory.

6.4.1 Implications on Policy

The research findings have policy implications on various stakeholders including; the insurance firms, the industry regulator (Insurance Regulatory Authority), members' association the Association of Kenya Insurers (AKI), financial sector players, insurance brokers and agents and government in general. The study found that learning orientation significantly influenced competitive advantage. This implies that insurance firms have to emphasize the development of human resource and other organizational policies that promote learning. In this study, LO was operationalized using the indicators of shared vision, commitment to learning and open-mindedness. Specifically, therefore, a learning culture that promotes commitment to learning, fosters a shared vision and encourages employees to question the status quo especially the long-held assumptions, routines and beliefs, if nurtured will help insurance firms to create and sustain competitive advantage.

Chaveerug & Ussahawanitchakit, (2008) posited that learning orientation involves the acquiring and sharing information on consumers, rivals, and changes in the market that enable firms to develop new services that are of a higher value than those of rivals. Taking cue from this, insurance firms can utilize the results of this study to create and implement knowledge management, communication and customer relationship management policies and strategies that will assure them competitiveness in the market place regardless of the regulated nature of the industry. The study further established that innovation mediates the learning orientation-competitive advantage relationship. This indicates that firm innovation is a key driver of competitive advantage.

Insurance firms therefore should develop policies that promote and support research and development activities that promote innovation. Additionally, regulators like Insurance Regulatory Association can utilize the findings of this study to create policies that enable the insurance industry to contribute to economic development through providing a wide range of insurance products and services, promotion of investment and innovation, enhancement of financial intermediation and creation of liquidity and mobilization of savings. Further IRA can partner with AKI to develop a framework that improves efficiency and outreach of insurance service providers through conducting research and surveys, carrying out public education campaigns and encouraging and promoting investment in new technology to enhance insurance penetration. And in ensuring consumer protection, IRA can use information generated through the organizational learning processes to provide regulatory oversight. Overall, the study's findings will offer an invaluable framework that will assist insurance firms to better focus their decision-making on organization learning and innovation to achieve competitive advantage.

6.4.2 Implications for Managerial Practice

The findings of this study hold potential to scholars and practitioners alike. Those insurance firms aiming to gain competitive advantage must cultivate a learning-oriented culture which has been established to be an antecedent to firm innovation and competitive advantage. Additionally, senior executives in insurance firms should emphasize, prioritize and consider learning as a driver of competitive advantage. Further, the entire company must promote a shared emphasis on learning, and the staff members in the various departments need to have a unity of purpose and be willing to challenge deeply held beliefs, routines and the status quo in general.

And given that open-mindedness was found to significantly influence firm innovation, the firms should create an environment that allows employees to freely express their ideas and critically evaluate their daily operations and to challenge their existing norms, beliefs and long-held assumptions. The study established the existence of a positive association between learning orientation, firm innovation and competitive advantage implying that embracing a learning orientation enables companies to increase firm innovation and enhance their competitiveness. This study provides managers looking to build learning organizations with useful guidance and insightful information.

Additionally, managers will be compelled to recognize and appreciate the contributions from their workforce. Managers need to create a systemized process for disseminating the knowledge acquired throughout the organization efficiently and effectively. Therefore, managers of insurance firms can utilize the findings to develop strategies, procedures and policies that will enhance the important aspects of learning orientation, firm innovation, SE team integration and competitive advantage. The study found product innovation to be a significant driver of competitive advantage. Managers of insurance firms in Kenya should therefore rethink their offer of similar traditional products and start considering introducing new innovative products into the market. They thus must develop strategies and solutions that meet the emerging customer needs instead of the conventional product-push approach. The findings may help managers to intensify initiatives to encourage better acknowledgement of the significance of LO and firm innovation in boosting competitive advantage. They therefore should strive to acquire new knowledge and skills that can match the highly complex and volatile business and market environments.

6.4.3 Implications on Theory

This study was premised on three theories; dynamic capabilities, knowledge-based and the upper echelons. Dynamic capabilities theory postulates that a firm's competitive advantage emanates from dynamic capabilities embedded in firm routines, processes and market position (Teece et.al., 1997). Teece et.al (1997) considered the capacity of employees to up their pace of learning as one dynamic capability essential for firms to achieve competitive advantage. The results of the study confirmed that learning orientation positively influenced competitive advantage of Kenyan insurance firms thus supporting the dynamic capability and knowledge-based theories. This aligns with empirical studies by Martinette et.al, (2014), Martinette and Obenchain-Leeson (2012) and Mahmood and Hanafi (2013). A thorough discernment of the learning orientation phenomenon was achieved and the body of knowledge expanded.

Knowledge based theory argues that firms can create competitive advantage by upgrading their knowledge bases for use in developing innovative problem-solving capabilities (Teece, 2007). It posits that learning-oriented firms are often more innovative and thus likely to have competitive advantage over its competitors. The study found learning orientation to influence firm innovation which is in alignment with prior empirical studies (Hsu et.al, 2017; Martinez et.al, 2016; Kiziloglu, 2015; Widiartanto, 2013; Nybakk, 2012). The results show that companies can innovate with ease in changing contexts so long as they enhance their capacity to learn, thus increasing their competencies and capabilities.

Indeed, both learning orientation and firm innovation have been touted as capabilities that promote the achievement of competitive advantage (Hung and Chou, 2013; Izabela *et al*., 2014) thus extending the dynamic capabilities theory. The findings of the study also contributed to key theoretical frameworks in strategic management especially the dynamic capabilities view (Helfat & Peteraf, 2015; Teece, 2007). The findings highlighted internal factors such as learning orientation and firm innovation that enable businesses to continuously adjust to competitive environments. The study validated the scales and dimensions of learning orientation, SE team integration, firm innovation and competitive advantage constructs as used in previous empirical studies.

6.5 Key Contributions to Knowledge

The broad objective of the study was to establish the impact of SE team integration and firm innovation on the association between learning orientation and competitive advantage of insurance firms in Kenya. The study fills in the gaps found during the literature review, which revealed that no research to the best of the researcher's knowledge had been done on the on the moderation effect of SE team integration and the mediation effect of firm innovation on the association between learning orientation and competitive advantage of insurance companies in Kenya. First, the research adds to the body of literature by offering empirical support that learning orientation significantly influences competitive advantage of insurance companies in Kenya directly and indirectly through firm innovation. However, the findings confirmed that none of the indicators of learning orientation; shared vision, commitment to learning and open-mindedness had a significant impact on competitive advantage.

Empirical literature shows that studies testing the association between LO and competitive have been conducted in different contexts for instance public accounting firms by Martinette *et.al.* (2014) where competitive advantage was a moderating variable; pure service and service-reliant firms by Martinette & Obsenchian-Leeson (2012) where competitive advantage was the moderating variable and in SMEs in Malaysia by Mahmood and Hanafi, (2013) where competitive advantage was a mediating variable. Whereas the other studies had conceptualized competitive advantage as either a moderating or mediating variable, this study conceptualized competitive advantage as a dependent variable. This study therefore has added to knowledge by empirically testing the effect of LO on competitive advantage as against previous studies where competitive advantage was one of the independent variables.

Consistent with previous studies, the study established that learning orientation significantly influenced firm innovation. And among the dimensions of learning orientation, it is only open-mindedness that had a significant effect on firm innovation unlike in the study by Chenuos and Maru (2015) which found both shared vision and open-mindedness affecting firm innovation. The mixed results could be a factor of context since this study was conducted among insurance companies in Kenya whereas Chebuos and Maru (2015) study focused on SMEs in Uasin Gishu in Kenya. Therefore, this research adds to knowledge by empirically confirming that a study using same variables can present varied results depending on the context. Further, firm innovation was found to mediate the learning orientation-competitive advantage relationship. This indicates that learning orientation influences competitive advantage directly and indirectly through innovation. The effect is more indirectly though.

The findings demonstrated that firm innovation is a major driver of competitive advantage and so insurance companies should focus more on those factors and behaviors that promote firm innovation if they have to achieve and sustain competitive advantage. The moderating effect of SE team integration on the link between learning orientation and competitive advantage was also tested. As far as the researcher is aware, no prior study has been conducted to test the relationship. The study found that SE team integration has no moderation effect on the link between LO and competitive advantage. This implies that learning orientation and SE team integration influence competitive advantage but independent of each other.

The study's fourth objective was to establish the joint effect of learning orientation, SE team integration and firm innovation on competitive advantage that was found to be statistically significant. Therefore, the study provides empirical proof that CA of a firm is a function of a multiplicity of variables or factors and that no one variable has exclusive influence on competitive advantage. Indeed, from the regression analysis results, it was established that jointly, learning orientation, SE team integration and firm innovation accounted for 66.2% of the variation in CA of insurance companies. This implies that insurance firms should not only embrace a learning orientation but utilize the resultant knowledge to be innovative whilst ensuring an integrated senior executive team so as to achieve and sustain competitive advantage. This new knowledge from the empirical study can be applied or replicated in other contexts. Further, with the three variables only accounting for 66.2% of the variation in CA, this indicates that there are other factors not considered in this study that accounted for 33.8% of the variation; which can be explored.

6.6 Limitation of the Study

While highlighting the value of learning orientation and demonstrating its link to firm innovation, SE team integration, and competitive advantage, this study leaves open the question of how learning orientation should be determined. Future studies can focus on the antecedents of LO and provide a thorough framework that includes both causes and effects. The lack of availability of prior research on learning orientation, firm innovation and SE team integration on competitive advantage of insurance firms in Kenya is the principal limitation in the study. Further, the study's cross-sectional design can only capture a single moment in time and therefore restricts the extent to which conclusions about the causal ordering of variables can be drawn. Future studies could consider using a longitudinal research design.

Additionally, the study variables were measured by the subjective perception of the respondents. Zikmund & Babin, (2007) contend that self-reported data tend to be more positive and may often not be completely true. Their responses therefore could distort the results. Similar studies should consider using both questionnaire and interview data collection methods in future. This study used a single-respondent from each of the surveyed firms to measure each of the theoretical constructs. This could have bred respondent bias which may affect the results of the study. An alternative approach would be to consider multiple respondents in future, notwithstanding the practical difficulties associated with using information from multiple respondents as highlighted in previous studies by management researchers. This will cure common method bias.

6.7 Suggestions for Future Research

The objective of this research was to assess the effect of SE team integration and firm innovation on the link between learning orientation and competitive advantage of insurance companies in Kenya. Therefore, given that the results are restricted to Kenyan insurance companies, there is an opportunity for future researchers to expand the study by using the same variables in other industries in Kenya. Further, the research can be expanded to other countries using the same study variables in order to compare the findings and develop a deeper knowledge of the challenges faced by insurance companies across regions in gaining and sustaining competitive advantage. Additionally, the current study can be replicated with same variables in the same industry after a period of say five years to check whether same results can be replicated. Similarly, a study where the moderating variable becomes the mediating variable and/or where either of the variables could be the independent variable can be explored.

In this study, several limitations were identified and which suggestions for future study were identified. For instance, the same study using same variables but a different research design can be conducted. It is noted that a cross-sectional survey design applied in this study provides a snapshot of one point in time and therefore restricts the extent to which conclusions about the causal ordering of variables can be drawn. Future studies can consider use of longitudinal research design that allows for the collecting of data at different points in time. Further, the data collection tool used was a questionnaire emailed to single respondents from among the insurance firms. It is suggested that future could consider using both questionnaires and an interview guide and at least two respondents so as to cure both common method and respondent biases.

While assessing the firm characteristics among insurance firms in the current study, it was established that 78.7% of the companies have been in business for over 20 years., 12.8% between 10-20 years and a paltry 8.5% having been in existence for less than 10 years. The revelation that majority of the companies have conducted business for over 20 years creates some interest on the backdrop that literature suggests that older businesses are more likely to use knowledge acquired over time to engage in innovative activities. Conversely, literature also indicate that as firms get older, the benefits of the accumulated knowledge become overcome with their inertia and inflexibility as a result of accumulated rules, routines and beliefs. To address this contrasting view-points, it is the researcher's suggestion to consider conducting an empirical study in future to determine the moderating effect of age and the mediating effect of firm innovation on the link between learning orientation and competitive advantage of insurance companies in Kenya.

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APPENDICES

Appendix I: Letter of Introduction

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22 February 2021

Appendix II: Research Questionnaire

The objective of this research questionnaire is for data collection from Insurance firms in Kenya. The data will be used to examine the effect of "**Learning Orientation, Firm Innovation and Senior Executives' Team Integration on competitive advantage of Insurance Companies in Kenya**". The data collected is for academic use only and utmost confidentiality is assured. Thank you for participating in the study.

Section A: General Information

1. Name of Organization (**Optional**)   _____

2. When was your company established?   _____

3. What is your job title: _____ _____

4. Indicate your duration of stay in this Organization (Please tick (√) as applicable.

    Below 3 years   [ ]   3 – 6 years   [ ]   7 – 9 years   [ ]

    10 – 12 years   [ ]   Over 12 years   [ ]

5. What is your highest level of academic qualification?

    Secondary   [ ]   Bachelor's   [ ]

    Master's   [ ]   Doctorate   [ ]

6. What is your staff complement? (Please tick (√) as applicable.

     50 - 99 [ ]   100 - 149   [ ]   150 - 199   [ ]   200 and above [ ]

7. How many branches do you have? _____

8. Do you have branches outside Kenya? If yes, state the countries _____

9. What was the total written gross premium (Ksh.) by your company in 2017?

    Less than 1.0 billion   [ ]   1.0 billion – 2.0 billion   [ ]

    2.0 billion – 3.0 billion   [ ]   3.0 million – 4.0 billion   [ ]

    Above 4.0 billion   [ ]

10. What is your market share in the industry? _____

11. What are the services that you offer? _____

12. Indicate the number of new products you have introduced into the market in the last 3 years?

     Less than 5   [ ]   6 – 10   [ ]   11 and above [ ]

Section B: Learning Orientation

13. Do what extent to the below statements describe your organization (Please tick (√) as applicable using the key provided)

Key: 1-Very small extent; 2-Small extent; 3- Moderate extent; 4- Large extent; 5-Very large extent

	Measures	1	2	3	4	5
1	There is general consensus among managers in our company that learning is key to achieving overall company goals					
2	It is a common belief in our organization that learning leads to organizational improvement					
3	Our company philosophy is to treat learning as key to our long-term survival					
4	We believe that learning is vital to our competitiveness					
5	Our organization provides enough opportunities for learning					
6	Learning is viewed in our company as being critical to firm prosperity and growth					
7	We have a unity of purpose and direction in our company					
8	Our company vision is known and understood across all functions of the company					
9	There is total commitment by all employees to meeting the objectives of the company					
10	All staff are involved and engaged in strategy formulation and execution.					
11	Staff are free to question the status-quo and are often encouraged to suggest new approaches of doing things					
12	We acknowledge that we must repeatedly interrogate how we perceive the market place					
13	We are encouraged to interrogate our beliefs and assumptions on the way we view our customers					
14	We incessantly assess how decisions are made and how activities are conducted in our company					
15	Staff are encouraged to "think outside the box"					
16	As managers, we are open to diverse opinions					

Section C: Firm Innovation

14. Do what extent to the below statements describe the level of innovation in your firm (Please tick (√) as applicable using the key provided)

Key: 1-Very Small extent; 2-Small extent; 3- Moderate extent; 4- Large extent; 5- Very large extent

	Measures	1	2	3	4	5
1	We are always the first to market in offering new products					
2	Our new products range has increased in the last 3 years					
3	We align our strategies and procedures with emerging market demands and respond with new products faster					
4	We make efforts to grow our product and service channels					
5	Our customers perceive our new products as very novel					
6	We continuously carry out market research to understand and meet customer requirements					
7	As a leadership team, we strive to integrate our management structures with the customers' needs in mind					
8	We copy novel business systems used by our competitors					
9	We have a dedicated and sufficiently funded research and development department					
10	Our company actively seeks new ideas					
11	Our company perceives innovation as such a risky venture that it is always avoided					
12	Our company penalizes employees whose new ideas fail					
13	We are always focused on continuous process reviews and improvements focused on product quality improvement					
14	Our processes guarantee the provision of customized innovative products and services that meet our customers' emerging needs					
15	We pursue innovative methods to do things					
16	We are an early adopter of new service improvement processes.					
17	we employ the latest technology in the industry					

Section D: Senior Executives' Team Integration

15. Do what extent to the below statements describe your firm (Please tick (√) as applicable using the key provided)

Key: 1-Very small extent; 2-Small extent; 3- Moderate extent; 4- Large extent; 5- Very large extent

	Measures	1	2	3	4	5
1	As senior managers, we analyze unsuccessful innovative ideas and share the lessons learnt across the organization					
2	We have devised a mechanism for sharing information on organizational activities across teams					
3	We repeatedly emphasize the value of sharing knowledge widely in our organization					
4	We emphasize the importance of sharing lessons and experiences learnt from history					
5.	We have a comprehensive induction program for new team members who join the company					
6.	We have a mechanism in place for acquiring and sharing new information about our industry					
7	As senior executives' in our company, we keep alive conversations on past experiences and share lessons learnt					
8	We seek not to control but inspire and encourage our employees to work as a team					
9	Our employees feel free to share their opinions and perspectives on any issue whilst observing mutual genuine respect for each other					
10	Our employees feel safe sharing their opinions, skills and knowledge without fear of victimization.					
11	As senior executives, silo-mentality is the norm					
12	We are comfortable sharing our knowledge and experiences to make work easier for each other.					
13	We are willing to support team members to complete their jobs as planned and to meet deadlines.					
14	We usually let other team members know when our actions and decisions affect them					
15	We usually engage other team members to understand their needs and challenges					
16	We usually discuss our expectations of each other as senior managers					
17	We usually consult each other before taking key decisions that have organization-wide implications					
18	We are usually involved in the strategy formulation and execution activities in our firm					
19	There are certain key decisions affecting our departments that are the preserve of the CEO and the Board					

Section E: Competitive Advantage

16. Do what extent to the below statements describe your organization (Please tick (√) as applicable using the key provided)

Key: **1-Very small extent; 2-Small extent; 3- Moderate extent; 4- Large extent; 5- Very large extent**

	Measures	1	2	3	4	5
1	Our response to competitor moves in the market place is impressive					
2	We have an excellent response speed in handling customer complaints					
3	Our ability to proactively track emerging customer needs and expectations is unmatched in the industry					
4	Our speed of gathering market information for use in designing marketing strategies is excellent					
5	We have an elaborate system of sharing information internally about competitors					
6	We have always been a step ahead of our rivals in launching new products over the last 5 years					
7	Our organization annually conducts market surveys					
8	Our ability to react quickly to developments in the marketplace is unrivalled					
9	We are known for a service flexibility which gives us an edge over our rivals.					
10	It is common knowledge for senior management in our organization to grant employees the space and complete leeway including flexi-hours to do their work					
11	Over time, we have been known to offer our customers better and flexible premium payment terms than our competitors.					

12	Our systems and structures are always designed, developed and updated with the customers' emerging needs in mind					
13	Management and employees' relationships always focus largely on efficiency and effectiveness in meeting customer needs					
14	Our company continuously works on developing and improving employee skills to meet market requirements.					
15	Seeking to know the market characteristics to help in the formulation of appropriate marketing strategies is our norm.					
16	Our customer relationship management systems are regularly upgraded to meet emerging customer needs					
17	Our policies, processes and procedures have always been a significant drag on our operational effectiveness and decision making.					
18	Our company assures continuous support in our effort to meet emerging needs of our customers.					
19	There are many levels involved in decision making in our organization.					
20	Decision-making in our organization has remained the preserve of the Chief Executive Officer					
21	Our products/services cannot be imitated by competitors					
22	Our product/service designs are unique					

Appendix III: Research Permit

Ref No: 793056   Date of Issue: 26/February/2021

RESEARCH LICENSE

This is to Certify that Mr.. Joseph Kipketer Koskey of University of Nairobi, has been licensed to conduct research in Nairobi on the topic: Learning Orientation, Firm Innovation, Senior Executives\' Team Integration and Competitive Advantage of Insurance firms in Kenya for the period ending : 26/February/2022.

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Appendix IV: Insurance Firms in Kenya

NO	Company Name
1	AAR Insurance Company Limited
2	Africa Merchant Assurance Company Ltd
3	AIG Kenya Insurance Company Limited
4	Allianz Insurance Company of Kenya Ltd
5	APA Insurance Limited
6	APA Life Assurance Company Limited
7	Barclays Life Assurance Kenya Limited
8	Britam General Insurance Company (K) Ltd
9	Britam Life Assurance Company (K) Ltd
10	Metropolitan Cannon Assurance Company Ltd
11	Capex Life Assurance Company Limited
12	CIC General Insurance Company Limited
13	CIC Life Assurance Company Limited
14	Corporate Insurance Company Limited
15	Directline Assurance Company Limited
16	Fidelity Shield Insurance Company Ltd
17	First Assurance Company Limited
18	GA Insurance Company Limited
19	GA Life Assurance Limited
20	Geminia Insurance Co. Limited
21	ICEA Lion General Insurance Company Ltd
22	ICEA Lion Life Assurance Company Ltd
23	Intra Africa Assurance Company Limited
24	Invesco Assurance Company Limited
25	Jubilee General Insurance Ltd
26	Jubilee Health Insurance Ltd
27	Kenindia Assurance Company Ltd
28	Kenya Orient Insurance Company Ltd

29	Kenya Orient Life Assurance Ltd
30	KUSCCO Mutual Assurance Ltd
31	Liberty Life Assurance Company Limited
32	Madison Insurance Company Kenya Ltd
33	Madison General Insurance Kenya Ltd
34	Mayfair Insurance Company Limited
35	Metropolitan Cannon Life Assurance Co. Ltd
36	Occidental Insurance Company Limited
37	Old Mutual Assurance Company Limited
38	Pacis Insurance Company Limited
39	Mua insurance (Kenya). Ltd
40	Pioneer General Insurance Company Ltd
41	Pioneer Assurance Company Limited
42	Prudential Life Assurance Company Ltd
43	Resolution Insurance Company Limited
44	Saham Assurance Company Limited
45	Sanlam General Insurance Company Ltd
46	Sanlam Life Assurance Company Ltd
47	Takaful Insurance of Africa Limited
48	Tausi Assurance Company Limited
49	The Heritage Insurance Company Ltd
50	The Jubilee Insurance Company of Kenya Ltd
51	The Kenya Alliance Insurance Company Ltd
52	The Monarch Insurance Company Limited
53	Trident Insurance Company Limited
54	UAP Insurance Company Limited
55	UAP Life Assurance Company Limited
56	Xplico Insurance Company Limited

Source: IRA, 2022.